

This correspondence from:  
The Secretary  
New Zealand Federation of Motoring Clubs Inc.  
PO Box 24-225  
WELLINGTON 6142  
Email: [secretary@fomc.org.nz](mailto:secretary@fomc.org.nz)  
Web: [www.fomc.org.nz](http://www.fomc.org.nz)

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## SUBMISSION ON DRAFT INCORPORATED SOCIETIES BILL

The NZ Federation of Motoring Clubs represents approximately 130 member clubs catering for motor caravans and heritage and collectors vehicles including cars, trucks, military vehicles, tractors and motorcycles. Our member clubs represent more than 75,000 individuals.

After undertaking study of the draft and consulting member clubs, overall we consider this to be a generally comprehensive and constructive prescription for creating an updated and overdue operating framework for New Zealand's incorporated societies. Three of our Executive members have attended the seminars organised by the Department of Internal Affairs and MBIE and concurred with the comments of officials that the financial reporting requirements in the draft bill could be excessively onerous for smaller clubs to meet. If the new Act imposed responsibilities on elected society officers which are beyond their skills or ability to comprehend what is required of them it would have a serious debilitating impact on the functioning of many clubs

Section 22: The preclusion of "financial gain" is accepted and endorsed by our member clubs but we welcome the exceptions to what pecuniary benefits are prohibited as outlined in sub-part 3. It is important that all clubs should not be restricted from subsidising activities and events or supplying members with discounted parts and services, or providing rewards for members making major voluntary contributions to the overall betterment and welfare of their clubs.

Section 24: Winding Up provisions - Requiring the nomination of a specific "not-for-profit entity", or "a class or description of not for profit entities", at the time a club is launched and first constituted is likely to prove too restrictive. After many years have passed any named entity will most likely no longer exist. The present general practice of specifying either charitable organizations or any not-for-profit societies with aims and objectives compatible or similar to those of the winding up club is probably a more practical option.

Section 83: For many smaller societies often dependent on untrained volunteers to fill elected roles such as treasurer or secretary, complying with "generally accepted accounting practice" may prove too onerous. Where more simplistic approaches to keeping financial records meet the needs of the societies concerned we suggest it would be in the overall public interest to allow more flexibility than is permitted by the draft bill.

The provision that club members remain members and liable for all unpaid subscriptions is also inconsistent with normal Kiwi behaviour. While many clubs do request resignations in writing, less than one in a hundred members actually fulfil this obligation. Most people simply cease to pay subscriptions and drift away, so the rules of many clubs provide that their resignations are deemed to have become effective from the due date or end of that year. It would cause insurance and other problems for clubs if they were required to treat non-financial former members as still current members. Many clubs will also have limited records of when individual members joined.

If we can be of further assistance in the drafting of the bill we will be happy to be contacted.

Yours faithfully



Roy Hughes, Secretary  
NZ Federation of Motoring Clubs  
Tel 03 332 7500

***Representing the responsible special interest and heritage motoring enthusiast***