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New club constitutions required by updated Incorporated Societies Act NZFOMC Submissions Secretary - Roy Hughes

After seven years of discussions, revisions, and delays New Zealand's more than century old Incorporated Societies Act has finally been updated and signed into law. Around 23,000 incorporated societies, including motoring clubs, have from now until December 2025 to revise their rules to comply with the new requirements and re-register.

The new Act strengthens the governance framework and provides increased protections for those who belong to and run our registered societies. As with any new legislation it imposes a number of new requirements and obligations. Mainly administrative in nature, they will still require considerable focus on understanding and implementing the changes, especially by club executives.

Current club rules will continue to apply until it has been confirmed that the necessary amendments have been included in a revised constitution to make it compliant with the new Act and the revised constitution has been registered with the Registrar of Incorporated Societies.

Under the new Act all clubs will need a management committee made up of at least 3 officers to run their society. Officers will be required to meet defined standards of integrity similar to those imposed on directors of companies, such as a duty to act in good faith and in the best interests of the society, and to exercise reasonable care and diligence. Both current and previous officers of clubs can now be held accountable for any future or past breaches of those duties.

As well as establishing they are not undischarged bankrupts, prohibited directors or convicted criminals, in order to be elected, successful nominees must also disclose all conflicts of interest, particularly where they or a family member may be receiving a benefit, either financial or otherwise, as

a consequence of their involvement with a club. All clubs will be required to maintain a register of declared interests and will be able to nullify transactions where it is later discovered an officer had failed to disclose a personal interest. As with any new legislation, there are new requirements and obligations to understand and implement. Section 26 details all the rewording and additional provisions needed to ensure current constitutions will comply with the new Act.

Under Section 74 clubs must have at least 10 members to register, a decrease from the 15 members required under the old Act. There was no continuous minimum membership requirement under the old Act, but now a society must have at least 10 members at all times. Membership applicants must now consent to join a club, so in order show this requirement is being met, application processes should probably include a signed form. The new Act also requires a club constitution to include written procedures for resolving disputes which are consistent with natural justice.

The new accounting standards requires clubs to prepare their financial statements in accordance with a standard that suits their size. Smaller societies with annual turnovers less than \$50,000 and total assets of less than \$50,000 may prepare their financial statement according to generally accepted accounting practice and they will not need to be audited. However, under section 105 of the new Act, the financial statement of larger societies will have to be audited.

All clubs will continue to be subject to the provision of

previous legislation until they have re-registered as a society under the new Act and they must do so by the transition date. If a society fails to re-register in time, it may cease to exist on the transition date (the date where the old Act is repealed).

What is required in new constitutions

(1) The constitution must contain the following matters:

- (a) the society name;
- (b) the purposes of the society;
- (c) how a person becomes a member, including a requirement that a person must consent to be a member;
- (d) how a person ceases to be a member of the society;
- (e) arrangements for keeping the society's register of members up to date;
- (f) the composition, roles, functions, powers, and procedures of the committee of the society, including—
 - (i) the number of members that must or may be on the committee;
 - (ii) the election or appointment of officers;
 - (iii) the terms of office of the officers;
 - (iv) the functions and powers of the committee;
 - (v) grounds for removal from office of officers;
 - (vi) how the chairperson (if any) will be elected or appointed and whether that person will have a casting vote if there is an equality of votes;
 - (vii) the quorum and procedure for committee meetings, including voting procedures;
- (g) how the contact person or persons will be elected or appointed;

(h) how the society will control and manage its finances;

- (i) the method by which the constitution may be amended;
- (j) procedures for resolving disputes, including how a complaint may be made;
- (k) arrangements and requirements for general meetings, including—
 - (i) the intervals between annual general meetings;
 - (ii) the information that must be presented at general meetings;
 - (iii) when minutes are required to be kept;
 - (iv) the manner of calling general meetings;
 - (v) whether and, if so, how written resolutions may be passed in lieu of a general meeting;
 - (vi) the time and manner in which, notices of general meetings and notices of motion must be notified;
 - (vii) the quorum and procedure for general meetings, including voting procedures (for example, whether votes may be cast by post or by electronic means), procedures for proxies (if any), and whether the quorum takes into account members present by proxy or casting postal votes or votes by electronic means;
 - (viii) the arrangements and requirements for special general meetings unless that provision has been negated;
 - (l) nomination of a not-for-profit entity, or a class or description of not-for-profit entities, to which any surplus assets of the society should be distributed on the liquidation of the society or to enable, the removal of the society from the register.

No Curbs on Classics in Climate Crisis Plan

Our prior concerns classic motoring could be curtailed by the provisions of the Emissions Reduction Plan developed by the Government to combat climate change are now largely allayed. While in the longer term, significant increases in prices of parts, petrol and repairs are a probable consequence, at this stage, the majority of heritage vehicle owners will be permitted to continue enjoying their hobby without any onerously restrictive limitations.

With the release of the ERP the Government has set four targets to achieve a 41 per cent reduction in transport emissions by 2035 from 2019 levels. The targets include a 20 percent reduction in total kilometres travelled by the light fleet by 2035 through improving urban roading networks and providing better travel options, particularly in the largest cities. It is also proposed to Increase the proportion of zero-emissions vehicles or EV's to 30 per cent of the light fleet by 2035. The other two targets are reducing both freight transport emissions by 35 per cent and the emissions intensity of transport fuel by 10 per cent by 2035.

Key transport initiatives are:

- Continue to incentivise the uptake of low- and zero-emissions vehicles through the Clean Vehicle Discount scheme and consider the future of the road user charge exemption for light vehicles beyond 2024.
- Implement the Clean Vehicle Standard to increase the quantity and variety of low- and zero-emissions vehicles imported.
- Consider further measures needed – from 2027 – to increase the fuel efficiency of the imported fleet and prevent NZ becoming a dumping ground for high emitting vehicles.
- Set a maximum CO2 limit or penalties for individual light internal combustion engine vehicle imports to tackle the highest emitting vehicles.
- Establish whether the Clean Vehicle Discount can be extended to other vehicle classes.
- Investigate how the tax system can support clean transport options to ensure low-emissions transport options are not disadvantaged.
- Determine whether legislative barriers preventing the use of some types of light low-emissions vehicles can be reduced without unduly compromising safety objectives.

From April 1, 2023 the Government will introduce a Sustainable Biofuels Mandate to assist in reducing greenhouse gas emissions in the transport sector. Fuel wholesalers will be required to cut their total greenhouse gas emissions by a set percentage each year, by deploying biofuels as a constituent of their fuel supply.

But while release of the Government's Emission Reduction Plan was still pending, disturbing issues continued to arise about the alternatives to petrol and diesel. For example, the Cabinet is now aware land use changes linked to producing biofuel could result in an actual increase in New Zealand's global emissions rather than a reduction. Sourcing ethanol from maize or biodiesel from palm oil, causes deforestation of native forests or destruction of wetlands or peatland, and can also impact adversely on food security and water quality.

Having caught up with these long-recognised consequences the Cabinet is implementing a rule under which only half of the biofuel used to meet the requirements could be food- or feed-based, like the European Union introduced alongside its own biofuel mandate, more than a decade ago. A spokesperson for Energy and Resources Minister Megan Woods has indicated a discussion document is still being compiled and it is hoped to have it ready for consultation by the middle of the year.

If the supplies of environmentally compatible biofuels may not be sufficient to meet the energy needs of New Zealand's light vehicles how about the EVs, now required to comprise at least 30 per cent of the fleet which is more than a million cars.

Our power gentailers and lines companies have been reticent about revealing the expenditure needed to generate sufficient electricity to charge up a million EVs. And it is not just the total amount of electricity required, but the cost of upgrading the capacity

of the transmission lines and local neighbourhood networks to meet the load increase imposed when multiple EV's are being charged simultaneously in urban homes.

To effectively match the approximately 2,000 cars a service station can refuel over a 12-hour period, EV charging stations would need 600 50-watt chargers and 30 megawatts of power from the grid which would be sufficient to power 20,000 homes. Instead of just a few minutes it takes from 30 minutes up to 8 hours to top up or totally recharge an EV.

Cars calling into a petrol station stay an average of five minutes but at an electric charging station they would be parked up for at least 30 minutes, possibly an hour. Consulting engineer Bryan Leyland predicts six times the land area of our present service stations will be needed to cater to EV's.

In anticipation of the power system overloads expected to result from the increase in its EV fleet, the United Kingdom Government is restricting the time-of-day EV batteries can be reliably recharged. By law UK chargers are now pre-set to be switched off during the 9-hours of peak loads, from 8 am to 11 am (3-hours), and 4 pm to 10 pm (6-hours) and the technology even allows EV batteries to be drained back into the UK grid if required. Imagine charging your car all night only to discover, as you hurry off to work, that your battery is flat as the State has taken all the power back.

Although modern lithium-ion batteries may be a major improvement on the old lead-acid battery, gasoline holds 80 times the energy density. The battery in your cell phone weighs less than an ounce but a Tesla battery weighs 1,000 pounds. And what do we get for the huge production cost and weight? Vehicles still less convenient or useful than cars powered by internal combustion engines and fossil fuels.

Combat Climate Change by Keeping Your Classic

In the face of the climate crisis classic vehicle owners might abandon their enthusiasm for keeping our automotive heritage alive and opt for something more modern, more energy efficient. A brand-new hatchback will almost certainly use less fuel and produce fewer emissions from its tailpipe, but add in the environmental cost of building a brand new car instead of reusing an existing one, and the picture becomes more complex.

A classic car covering an annual average distance of 1,200 miles emits 563kg of CO2 a year. By comparison, a new Volkswagen Golf creates a full

carbon footprint of 6.8 tonnes of CO2 on the day it leaves the factory, a figure it would take our average classic 12 years to catch up on.

And for a new electric vehicle, the initial carbon footprint is much greater. During production a battery-powered Polestar 2 creates 26 tonnes of CO2 in upfront emissions and that would take a typical classic more than 46 years to match. By which time, the EV's cutting-edge lithium-ion battery would have long since lost its ability to hold a charge and been consigned to the nearest recycling facility. Just the manufacture of a new battery for a Tesla creates 17 tonnes of CO2.

Our classic, meanwhile, may very well still be out there with its life extended by a succession of devoted and enthusiastic owners who, data suggests, are already environmentally conscious. In a recent survey, 66% of enthusiasts said they were concerned

about climate change to some degree, with 77% believing they were already contributing to combating its effects in some way. To that end, 40% have used carbon offsetting in the past, while 52% of enthusiasts would consider contributing to a scheme to offset the emissions of their classic

Over the decades environmentalists have

repeatedly called for the replacement of older classics with modern equivalents. However, the reality is that keeping a classic on the road is already a proven exercise in enhancing sustainability. Perhaps instead of offering cash for clunkers the Government should promote polytech courses to rebuild Morris Minors.

Answers to Climate Change and Road Toll Lie in Improving Roads

Roy Hughes, Submissions Secretary

It is a widely held misapprehension that our motu is just a tiny little country in the bottom corner of a great big world. But as former Prime Minister Helen Clark demonstrated, a scaled map of New Zealand imposed on one of Europe extends from the south of France into the upper reaches of Denmark and a trip from Kaitaia to Bluff is 600km further than driving from Monaco to Copenhagen.

If we discount the uninhabitable areas of Australia, Canada, Russia, Greenland, and Antarctica, just 18 people per square kilometre puts New Zealand amongst the world's most sparsely populated territories. The United Kingdom has 68 million living in an area slightly smaller than New Zealand and yet is still nowhere near being one of the more crowded countries.

So, creating both a housing shortage crisis and major urban and highway traffic congestion in a country with such an abundance of empty space and so few people is simply an inexplicable achievement. We can ruminate about the reasons but perhaps decades of deliberate under investment in our roading network has been one of the factors.

The reports of our repeatedly restructured roading authorities reveal a consistent pattern of curtailed expenditure on enlarging our road network. A succession of environmentalists and planners have inculcated our politicians with a warped belief that improving our roads to make them adequate, safe and accessible would simply entice more people to drive upon them in their so despised "single occupant vehicles" when we should all be switching to buses and bicycles.

Yet despite the expenditure of hundreds of millions on cycleways and public transport services over the past thirty years there has been little discernible increase on the numbers of travellers who predominantly used bike and bus transport way back in the 1980's. So ironically New Zealand's ever increasing CO2 emissions and road accident toll can be directly linked to the manufactured unnecessary transport congestion and increasingly inadequate roading network inflicted on us by successive governments.

For example, commercial freight vehicles could previously complete three trips between Ashburton and Lyttelton within the mandated working hours, but because of increased congestion and speed restrictions, only two trips are now possible most days. To shift existing tonnages has required a fifty per cent increase in the truck fleets.

Transporting New Zealand Chief Executive Nick Leggett has predicted the lowering of the speed limits from 100kph to 80kph on many main highways will result in another major increase in our truck fleets with the consequent further rise in greenhouse gas emissions.

As publicly acknowledged by Waka Kotahi NZTA CEO Nicole Rosie, more than 70 per cent of the road crashes in which people are seriously injured involve drivers who were following all the rules but made a simple mistake and had no room to recover before running out of road space.

Instead of ineffective TV campaigns and reducing speed limits, focussing the expenditure of roading funds on bringing our entire highway network up to the safer standards we previously enjoyed will achieve far more beneficial results. Just the installation of roadside fencing and median barriers can reduce deaths and serious injuries by up to 90 per cent. Separating opposing flows of traffic and adding more paved runoff areas and passing lanes can all help to reduce the driver frustration which results in dangerous risk taking.

For much the same reasons our roading network is chronically inadequate, short-sighted economic planning and decision making has also deprived us of the upgraded rail services which could now be moving both freight and commuters in much greater numbers and taking the pressure off our highways.

As public debate of climate change and road safety issues continues to intensify it will be a key role of the FOMC to ensure additional misguided restrictions are not imposed on heritage motorists in the pursuit of either reduced emissions or improved road safety.