

Comment

By Bus and Coach Association (New Zealand) Incorporated  
To Ministry of Business, Innovation and Employment  
Regarding Incorporated Societies Exposure Draft  
Dated 29 June 2016

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## 1. Introduction

- 1.1. The Bus and Coach Association (“BCA”) is a membership organisation that represents the interests of the bus and coach industry. Our members include the majority of New Zealand’s bus and coach operators and domestic and international bus manufacturers.
- 1.2. The bus and coach industry is a significant contributor to New Zealand’s economy. The industry contributes almost \$1.2 billion to gross domestic product, and employs over 10,200 people. In 2015 tourist expenditure on passenger transport (excluding air travel) was almost \$3.4 billion and more than 1.24 million international visitors used bus and coach services.
- 1.3. The BCA welcomes the opportunity to provide feedback to the Ministry of Business, Innovation and Employment (“MBIE”) on the Incorporated Societies Bill – Exposure Draft. The BCA has been actively involved in discussions on the exposure draft. We attended a series of meetings organised by the Australasian Society of Association Executives (“AuSAE”). In addition to our own submission we have read and support the AuSAE submission.
- 1.4. The BCA supports the drafting of a new Act for incorporated societies. We acknowledge the need for a new Act and welcome legislation that brings incorporated societies into the 21<sup>st</sup> century. The BCA is a large incorporated society. As a result a number of the Law Commission recommendations are already reflected in our management and governance procedures. We support the general shift towards alignment with company law.
- 1.5. We also make the following proposed amendments.

## **2. Section 43 'Contact Officer'**

Under Section 43 (3) (a) the society's contact officer can only be a member who is eligible for the society's committee. To better reflect the role of employed staff members in the day to day operation of some incorporated societies, this section should be amended to 'a member of the society's committee and/or a designated employee.' In most Incorporated Societies including the BCA, the council (committee) focus on governance and strategy rather than the day to day running of the society. Accordingly, the role of a contact officer would be more suited to an employee rather than a committee member.

## **3. Section 24 (1) (j) Member dispute and grievance process**

Section 24 (1) (j) outlines the procedures for resolving disputes between the members of the society, including procedures for investigating and dealing with member grievances and complaints. The BCA recommends that a process rather than a procedure is used for resolving disputes. Having a procedure merely tells the society how to resolve the dispute whereas a process which must be followed in the rules, ensures incorporated societies will need to have a structured set of rules designed to accomplish and/or resolve the member issue.

## **4. Section 32 Arbitration process**

This section should be amended to account for societies that already have a legal arbitration process within their rules or constitution which doesn't use the Arbitration Act 1996 as the first escalation point. Section 32 should be drafted less prescriptively to allow for any arbitration process so long as it meets required minimum standards. Suggested standards would include an internal process for dealing with the complaint, and an escalation clause of some form. The Ministry should find default arbitration provisions to attach to the Act. Section 32 should also allow those societies who already have a process to continue using it without amendment, so long as it meets the minimum standards.

## **5. Section 39 Qualifications of Officers**

While the BCA recognises the merit in disqualifying from office any persons who have committed a specified conviction we recommend the bill be amended to recognise the Criminal Records (Clean Slates) Act 2004. Officers of a society who ably perform their role should not be punished for convictions from much earlier in their lifetime for which they have already served their punishment

## **6. Comments on the Exposure draft generally**

Incorporated societies vary significantly in size. A more prescriptive approach will benefit some smaller societies such as standard provisions.

However, there are also measures which may not be practical for a number of smaller societies. Accordingly the new Act should have specific sections that apply only to societies of a certain type. The types of societies these amendments apply to should be measured by the existence of paid full time employees, and/or a common bank account which has rules around its use.

## **7. Conclusion**

While accepting the Bill requires a range of amendments to make a more robust Act, the BCA supports the exposure draft. The new Act will eliminate a number of outdated sections from the 1908 Act and make it relevant for societies today. We look forward to the next stage in the process of developing the Act.

Withheld

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