

30 June 2016



Ministry of Business, Innovation and Employment (MBIE)
PO Box 1473
Wellington 6140

Submission on Incorporated Societies Bill - Exposure Draft

Master Plumbers, Gasfitters and Drainlayers NZ Inc. (**MPGD**) is the national professional association for plumbers, gasfitters and drainlayers and traces its origins back to 1901 and earlier.

MPGD supports the submission from the Australasian Society of Association Executives in full.

There is one additional point that MPGD wishes to submit on.

MPGD suggests that the Incorporated Societies Bill provide, in clause 26 or a related provisions that the Constitution of an incorporated society continues to bind members:

- (a) after they have resigned or been expelled from the incorporated society in respect of any actions or inactions while a member of the society; and
- (b) to the extent it deals with matters consequent on the resignation or expulsion of a member.

The reason for the proposed amendment in paragraph (a) is that there are many potential instances in which a society may wish to take action against an ex-member for actions while they were a member. At present, the ability to take action in such a case under the Incorporated Societies Act is unclear.

In MPGD's case, for example, it may wish to take action against members for breach of rules relating to the offering of the Master Plumbers guarantee, such as to recover costs from the member. However, in at least one case, members have resigned in an attempt to avoid recovery of those costs.

The reason for the proposed amendment in paragraph (b) is that there are often requirements set out in the constitutions of incorporated societies that need to be met where a member resigns or is expelled. For example, MPGD allows members to use its' Master Plumber and other trade marks while a member, including on vans, uniforms and in advertising. When a member resigns or expels they are required to immediately cease such use and remove the Master Plumbers and other trademarks from. While action can be taken under the Trade Marks Act 2002 there are some tests that have to be met under that Act, and it would be helpful if action could be taken under the Incorporated Societies Act as well.

At present, to deal with both situations, MPGD requires members to enter into a membership contract. That mechanism, however, can be unwieldy (eg when making changes) and there are also some uncertainties in contractual enforcement. The proposed amendments would reduce uncertainty and cost for incorporated societies, especially trade organisations such as MPGD.



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MPGD does not consider these amendments would be unfair or unreasonable to ex-members. Members join societies such as MPGD to receive membership benefits, such as use of the Master Plumbers Guarantee and the Master Plumber trademarks. There are conditions around the use of those benefits that members agree to, and which they should not be able to avoid upon their membership ending

Yours sincerely

Withheld

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