

# *Model Engineering Association of New Zealand Incorporated.*

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## **MEANZ UPDATE June 2022.**

### **Where to from Here?**

A couple of recent incidents have highlighted a possible change in the purpose and future direction of several MEANZ affiliated clubs.

The question must arise: Are we Model Engineering Societies who have a ride-on railway as a way of raising necessary club funds or are we actually Commercial Ride-on Railways in disguise?

I offer the following:

The Constitution of MEANZ says under Section 4 **Membership** a) Membership shall be restricted to Corporate Bodies having objectives all together **or in part** similar to the Association.

Thus if a club operates a ride-on railway on an occasional or more frequent basis and also has, as many do, a boating section, traction or road engines, tethered cars and boats and a section of membership who build small engines, workshop equipment etc. then the club does clearly fulfil the requirements of the Constitution.

If your club only has a ride-on railway, then as above you also comply with the MEANZ Membership requirements. The maintenance and upkeep of the locomotives and ride-cars used, and the track all constitute miniature engineering.

We all however should strive, if possible, to embrace all aspects of model engineering rather than focus solely on the money raiser – the railway. I enjoy taking my tugboats for a sail on our pond as well as obviously making many locomotives.

This brings me to offer to all clubs that they should ensure that the operation of their railway remains a source of joy and pleasure for all respective club members as well as the riding public. This pleasure is easily reflected in the happy faces of the riding public.

Where ever possible, you should avoid conflict and discuss different points of view in a civilised way.

All clubs should also act in a democratic manner. Share responsibility where you can and encourage younger members with well-meant advice and assistance. They are the future of our hobby.

All clubs have similar issues where the usual small proportion of members seem to “do all the work.” Also, most

clubs have members who are there only to “run trains.”

The hard part for any club is the harnessing and utilisation of your members where they “best fit” as we are all volunteers. We all know that member who should not interact with the public but keeps the surrounds or infrastructure of the railway to a highest standard.

In conclusion may I suggest to all clubs (including my own) take a step back and examine whether your club is heading in a way that you have full control over the outcome. This includes maintaining your standards of safety for members and the riding public, or are you “making tracks” but are almost completely out of control.

### **Rob Wilson MEANZ President**

#### **MEANZ Executive Changes.**

At the MEANZ convention in 2021 held by zoom it was proposed and seconded to have a new position as Vice President. The change to the constitution to allow this has passed through the Companies Office.

MEANZ Executive discussed the situation and as the constitution allowed the exec. to co-opt any unfilled roles which has now been done.

#### **The new Vice President is Lester Watchorn.**

Lester Watchorn is a mechanical engineer working in the energy industry. He has spent the last 9 years working as a consulting engineer

designing & assessing industrial pressure equipment including, piping, pressure vessels and boilers. Prior to completing his engineering degree, he completed his trade as a "fitter turner", working in a number for machine shops. Modelling and engineering have always been passions, including building scale static models to radio control planes, helicopters, boat and cars



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### **Sean Heenan.**

#### **The New North Island Rep is Sean Heenan.**

Sean has been involved with the Manukau Live Steamers since he was 3. 20-something years later he is now the President of the Manukau club and has been since 2020 having served on the committee since he was 13.

Outside of the MLS club Sean works for himself as a consultant and contractor,

nowadays spending much of his time contracting with the Glenbrook Vintage Railway. Prior to this he spent his time at several museums in Auckland, most notably MOTAT. Sean's background is in event and project management in the Museum and Tourism industries, having run events from 5 people up to 50,000 people, consulted with tourism and event companies, and run award winning experiences. He has served on a number of committees and boards, such as with Volunteering NZ, NZ Power Boats and the RES. Contact details for Sean are [sean.heenan@gmail.com](mailto:sean.heenan@gmail.com) or

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## **Subscriptions**

Subscriptions are now due to MEANZ for the 2021-22 year for \$60. An Invoice has been emailed out to clubs last year and a second to clubs who have not paid. There are still 6 clubs unpaid. If clubs do not pay they can be taken off as a MEANZ member as to the constitution.

## **New Webpage.**

Sean Heenan and his team are working on a new webpage for MEANZ. Murray Bold was looking after our old one and has unfortunately passed away. He will be missed.

This has left us in a situation that we cannot change anything on the old webpage. We have had several enquiries from clubs wanting their details changed but till we get the new Webpage up and running we will be unable to do any changes.

## **Templates.**

All MEANZ articles are being put onto a new template so if MEANZ gets audited as part of the new regulation changes they have a more professional look. Thanks to Donald Ross and Lester Watchorn for their work with this.

## **Regulation Changes.**

The Minutes from the last NZORD meeting are below.

## **MBIE update**

Allanah MacShane (MBIE) re-iterated that the exposure draft of the legislation will be available in July/August. The MBIE website has a lot of information currently on decisions made so far on high-risk plant and working at heights. You can register to receive the draft regulations when they appear on the MBIE website. Bob White (BW) highlighted the complexities of the process and the high level of technicality involved making the drafting of the legislation difficult. Bob White highlighted 'coverage issues' on some areas such as inflatables, gravity rides, competency requirements etc. We are encouraged to closely review the draft and give comprehensive feedback on areas that we may have concerns about actually giving effect to the intention of the Act.

Concern was raised among members around suggestions that the draft legislation may only cover larger inflatables not the smaller ones. Some of the most catastrophic incidents involve the smaller inflatables. BW encouraged again that we give clear and concise feedback on these matters and consider how the regulations are to be given effect to – e.g. what is the problem to be addressed, what is the best way to address it and whether the regulation actually succeeds in addressing adequately. Maurice Flood suggested that the reason Australia has a limit of 3m height

in their legislation was a resourcing issue that would not be the same here. There is also a very real risk that the Australian legislation will change in response to the Tasmanian incident and we should take care not to implement inadequate standards. Heather Wilson raised an issue of accreditation and the prohibitive cost associated, BW confirmed that would be up for discussion in the draft. (Remember these minutes cover all Amusement Devices in NZ and not just Model Engineering.)

## **Incorporated Society Act Changes. By Sean.**

Big change have arrived after much delay, that will affect the majority of the incorporated societies in MEANZ. The Incorporated Societies Act 2022 (the "new Act") finally received Royal Assent on 5 April 2022. The new Act replaces the Incorporated Societies Act 1908 (the "old Act"), which had been long overdue for an upgrade.

One fundamental point that will impact on next steps is that a **new constitution (the rules of the organisation) will need to be adopted and reregistration will be required**. This is not required immediately, but will be enforced over the next 3 years.

Those clubs that are charitable trusts are not affected by this update to the new Act, though this is potentially a suitable time to review your foundation documents.

However, in this article we have set out some of the key changes in the new Act

for incorporated societies to be aware of:

### **A Committee Is required**

The old Act does not require a society to have a committee, only officers. Under section 45 of the new Act a society must have a committee, which comprises of 3 or more qualified officers. The committee is responsible for managing the operation or affairs of the society and is defined in the Act as “the governing body of the society, however described (for example, a board)”.

‘An officer’ is defined as:

- a natural person who is a member of the committee; or
- a natural person occupying a position that allows them to exercise significant influence over the management or administration of the society (such as a treasurer or chief executive); or
- any other natural person who is declared to be an officer by regulation.

Section 47 sets out the qualifications of officers, including that:

- the officer is a natural person;
- has consented to be an officer; and
- certifies they are not disqualified under section 47(3) of the new Act.

There is also a long list of disqualifications under section 47(3) of the new Act, but this list is largely similar

to that in legislation regulating other legal entities, such as charitable trusts.

### **Officers’ duties**

The new Act specifies and puts on paper, some existing ‘common law’ officers’ duties. These duties are owed to the society, not its members, and are set out in sections 54-61 of the new Act. In short, these include:

- duty to act in good faith and in the society’s best interests;
- duty to exercise powers for a proper purpose;
- duty to comply with the new Act and the society’s constitution;
- duty of care;
- duty not to create substantial risk of serious loss to creditors; and
- duty not to agree to the society incurring obligations that it cannot perform.

These last two were subject to some criticism in the final reading of the Bill, with some MPs arguing that they are more appropriate for commercial contexts where directors are well compensated. However, they have now been adopted here.

As a result of these new officers’ duties and the wide definition of officer in the new Act, we suggest that incorporated societies have director and officer insurance.

### **Membership minimum changed**

Under section 74 of the new Act, a society must have at least 10 members

to register as a society. This is a decrease from the 15 members required under the old Act.

There was no continuous minimum membership requirement under the old Act, but section 74 of the new Act dictates that a society must have at least 10 members at all times. This will be something that societies need to keep an eye on – especially smaller ones.

### **Consent**

Under section 76 of the new Act, a person must consent to become a member of the society. To comply with this section, a society should review its membership application processes and constitution to ensure the person consents to becoming a member of the society.

### **Dispute resolution**

Under section 26(1)(j) of the new Act, a society's constitution must include procedures for resolving disputes. The society can develop its own procedures, so long as those procedures are consistent with natural justice.

### **Reregistration**

Under schedule 1, a society will continue to be subject to the old Act until it reregisters as a society under the new Act. A society must reregister by the transition date, which is the later of 1 December 2025 and the date that is 2 years and 6 months after the commencement of clause 4. If a society fails to reregister in time, it may cease to exist on the transition date (the date where the old Act is repealed).

In order to reregister, the society's constitution must meet the requirement of the new Act and include the information set out in section 26 of the new Act. We can help you ensure your constitution is up to scratch before reregistering under the new Act, including ensuring your constitution provides for the changes set out above.

### **Financial reporting**

What will be the standards needed for financial reporting? Well, part 3, subpart 7 of the new Act sets out new accounting standards. The incorporated society will need to prepare their financial statements in accordance with the standard that suits the size of their society. This is much the same standard of reporting as those that charities currently have.

This article is not a substitute for legal advice. Hopefully we will be able to provide further comment and assistance to clubs with more advice and specificity. I hope that this provides a small amount of insight into the new changes that a number of societies may not be aware of.

My first suggestion is to go to the Incorporated Societies website and look at their Constitution builder. This is a very helpful tool for reviewing and updating existing constitutions.

Heather Wilson

MEANZ Secretary/Treasurer June 2022