

Submission by



to the

Ministry of Business, Innovation and Employment

on the

**Consultation on regulations for the Incorporated
Societies Act 2022**

November 2022



Consultation on regulations for the Incorporated Societies Act

BusinessNZ welcomes the opportunity to make a submission on the Consultation on proposed Incorporated Societies Act regulations. Background information on BusinessNZ is attached as Appendix One.

2. Regulations under section 254

1. S254(1)(a)

No comments.

2. S254(1)(b)

S109(1) As some smaller incorporated societies might on occasions experience difficulty in filing their annual returns on time, it is suggested the Registrar should have a discretion to allow for late filing in circumstances where, in the Registrar's opinion, it is reasonable to do so.

S111(3) The above argument applies here too, with similarly, the Registrar able to allow an extension time where granting an extension would be reasonable.

3. S254(1)(c)

Agree that no regulations should be made at this stage.

4. S254(1)(d)

Agree that no regulations should be made at this stage.

5. S254(1)(e)

Paragraph 39: Is there to be an exception to S45(3) allowing societies other than those involved with sport and physical recreation to have independent directors?

No comment on whether or not there should be two audit thresholds. The answer will depend on the extent to which two thresholds would be considered generally useful.

6. S254(1)(f)

Paragraphs 52 and 53: There could be difficulty in singling out one country (Australia) when in an increasingly diverse society there are many countries from which an incorporated society's officers might come (not just in the Southern Hemisphere). Rather than listing a range of countries - and recognising that overseas disqualifications might have been unjustified – it might be better, if a society wants someone as an officer who was disqualified other than in New Zealand, to allow the Registrar to permit this to happen if there are good reasons why it should happen.

7. S254(1)(g)

No comments.

8. S254(1)(h)

Agreed that at this stage no regulations should be made under this section.

9. S254(1)(i)

Paragraph 68: Specifying particular entities as those where only delegates or other representatives need attend an AGM would be difficult, as would providing a cut-off number. Would it be possible for Constitutions to provide (if that was agreed) that only delegates or representative are required to attend the AGM while other society members who want to be there can notify an officer of the society of their intention to attend?

10. S254(1)(j)

No comments.

11. S254(1)(k)

Agree that no regulations should be made under this section.

12. S254(1)(l)

Agree with the proposed threshold.

13. 254(1)(m)

The proposed infringement fees sound reasonable particularly in view of the Registrar's discretion in relation to the taking of enforcement action (which might need to be exercised for some smaller incorporated societies.)

14. S254(1)(n)

Yes – agree with the proposed forms.

15. S254(1)(o)

No comments.

16. S254(1)(p)

Agree with what is proposed.

17. S254(1)(q)

No comments.

18. S254(1)(r)

It might be necessary to allow for a qualification where a document is posted since prompt delivery, or delivery within a stated timeframe, cannot always be guaranteed.

19. S254(1)(s)

The proposals for serving documents other than in legal proceedings are agreed with the qualification above re documents sent by post. (Also, are many documents now sent by fax?)

20. S254(1)(t)

No comments.

21. S254(1)(u),(v),w)

No comments.

3. Regulations under section 255

22. S255(1)(a)

No suggestions regarding the amounts that should be payable but suggest provision should be made for fees on a sliding scale to recognise the size variability of incorporated societies.

23. S255(1)(b)

Again. It should be possible for some discretion to be exercised where small societies have difficulty in fulfilling their obligations.

24. S255(1)(c)

Agree that at present no regulations should be made.

4. Transitional regulations under section 256

25. S256(1)(a)

Agree that at present no regulations should be made.

26. S256(1)(b) Agree that at present no regulations should be made.

27. S256(1)(c)

While registering obviously involves administrative costs (for government and potentially for incorporated societies), as the obligation to reregister is imposed by the new legislation, the argument can be made that absent that change, there would be no such obligation and therefore the cost of reregistering should fall on government, not on existing societies.

Appendix 1

The BusinessNZ Network is New Zealand's largest business organisation, representing:

- Business groups [EMA](#), [Business Central](#), [Canterbury Employers' Chamber of Commerce](#), and [Business South](#)
- [BusinessNZ](#) policy and advocacy services
- [Major Companies Group](#) of New Zealand's largest businesses
- [Gold Group](#) of medium-sized businesses

[Affiliated Industries Group](#) of national industry associations

- [ExportNZ](#) representing New Zealand exporting enterprises
- [ManufacturingNZ](#) representing New Zealand manufacturing enterprises
- [Sustainable Business Council](#) of enterprises leading sustainable business practice
- [BusinessNZ Energy Council](#) of enterprises leading sustainable energy production and use
- [Buy NZ Made](#) representing producers, retailers and consumers of New Zealand-made goods

The BusinessNZ Network is able to tap into the views of over 76,000 employers and businesses, ranging from the smallest to the largest and reflecting the make-up of the New Zealand economy.

The BusinessNZ Network contributes to Government, tripartite working parties and international bodies including the International Labour Organisation ([ILO](#)), the International Organisation of Employers ([IOE](#)) and Business at OECD ([BIAC](#)).

