

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

Your name and organisation

| | |
|------------------------------|--------------------------------|
| Name | Peter Browne |
| Organisation (if applicable) | Karori United Tennis Club Inc. |
| Contact details | [REDACTED] |

[Double click on check boxes, then select 'checked' if you wish to select any of the following.]

The Privacy Act 2020 applies to submissions. Please check the box if you do not wish your name or other personal information to be included in any information about submissions that MBIE may publish.

MBIE intends to upload submissions received to MBIE's website at www.mbie.govt.nz. If you do not want your submission to be placed on our website, please check the box and type an explanation below.

I do not want my submission placed on MBIE's website because... [\[Insert text\]](#)

Please check if your submission contains confidential information:

I would like my submission (or identified parts of my submission) to be kept confidential, and **have stated below** my reasons and grounds under the Official Information Act that I believe apply, for consideration by MBIE.

I would like my submission (or identified parts of my submission) to be kept confidential because... [\[Insert text\]](#)

Responses to questions

Part 2 of the discussion document: section 254

| | Matter | Question |
|---|---|--|
| 1 | <i>Prescribing information that must be included or provided</i> | Do you have any comments on MBIE's proposals regarding regulations under section 254(1)(a)? |
| | | <p>The list of regulations under S254(1)(a) refers to many sections so I shall mention only those sections for which I have a comment.</p> <p>Under S9(a), it is proposed that the application include the registered office and the address for service of the society, both of which must be a physical address. Our (incorporated) tennis club has a physical address but no letter box as all mail should be addressed to our PO Box, which is not a physical address. There must be many societies where no-one lives on the society's premises. We would need to list the Secretary's address instead as the physical address for any service and that might change each year after the AGM. However, we note that the proposals for regulations under S109(2) should adequately cover this point.</p> <p>Under S109(2) it is proposed that the information included in the annual return include the membership number at the time of filing the return. It may be better to require this figure as at the balance date since this would normally be included in any annual report. Note that the membership number is not qualified so for a sports club would include senior and junior members. Junior members are unlikely to be given any voting power at an AGM (although some "senior" juniors might be if the voting age were to be set at say 16 (when a junior would be eligible to be elected to the society's committee). Should the information required also include the numbers of members entitled to vote at an AGM?</p> |
| 2 | <i>Prescribing the manner in which things must be done</i> | Do you have any comments on MBIE's proposals regarding regulations under section 254(1)(b)? |
| | | No, the proposals for the regulations under S254(1)(b) appear to be appropriate. |
| 3 | <i>Authorising the Registrar to determine the manner in which things must be done</i> | Do you agree with MBIE's proposal that no regulations should be made at this stage under section 254(1)(c)? |
| | | Yes. |
| 4 | <i>Declaring persons to be, or not to be, officers</i> | Do you agree with MBIE's proposal that no regulations should be made at this stage under section 254(1)(d)? |

| | |
|---|---|
| | Yes, although it may be useful to reinforce the concept that all elected members of an executive committee (as opposed to ad hoc sub-committee members) are officers of the society, whether or not they hold such designated titles as President, Chairperson, Secretary, Treasurer, etc. In the end, it is the executive committee that should make all important decisions (over a designated limit of expenditure, e.g. \$1000) and carry that responsibility collectively as officers. |
| 5 | <p><i>Prescribing circumstances related to independent committee members</i></p> <p>Do you have any comments on MBIE's proposals regarding regulations under section 254(1)(e)?</p> |
| | <p>We are in favour of any proposal that enables the boards of national and regional sports bodies to have up to half of their members appointed (by e.g. a Board appointment panel) by reason of their business acumen and experience as opposed to being elected representatives of sports club members. This is a sensible approach to having a board with a good collective balance of knowledge and skills, and experience.</p> |
| 6 | <p><i>Prescribing jurisdictions whose officer disqualifications we will recognise</i></p> <p>Do you have any comments on MBIE's proposals regarding regulations under section 254(1)(f)?</p> |
| | <p>Bearing in mind that there are many immigrants of UK origin in NZ, the addition of the UK to the list of country jurisdiction would be prudent, if practicable.</p> |
| 7 | <p><i>Prescribing the types of changes in officer information that must be notified</i></p> <p>Do you have any comments on MBIE's proposals regarding regulations under section 254(1)(g)?</p> |
| | <p>A regulation that requires a small society to advise the Registrar of every change of executive committee membership during the course of a year may become onerous. The composition of the committee at balance date must be reported in the annual return and it should be possible to report any changes that may have occurred during the preceding year at that time rather than as they occur.</p> |
| 8 | <p><i>Regulating constitutional provisions on conflicts of interest</i></p> <p>Do you agree with MBIE's proposal that no regulations should be made at this stage under section 254(1)(h)?</p> |
| | <p>Yes. It should possible and would be preferable if any additional or release of restrictions were clearly set out in the society's constitution.</p> |

| | | |
|----|--|--|
| 9 | <i>Prescribing societies that can restrict general meeting attendance to delegates</i> | Do you have any suggestions regarding regulations that should be made under section 254(1)(i)? |
| | No. Our tennis club, although a large one in membership, would issue an invitation to all members to attend an AGM or SGM. | |
| 10 | <i>Defining the term 'total current assets'</i> | Do you have any comments on MBIE's proposals regarding regulations under section 254(1)(j)? |
| | We agree that the proposed definition of total current assets is appropriate for the purpose as it will include term deposits held plus debts owed to and by the society at balance date. It might be clarified further by referring to fixed assets as any land plus any asset to which depreciation is applied. | |
| 11 | <i>Prescribing additional requirements for the financial statements of small societies</i> | Do you agree with MBIE's proposal that no regulations should be made at this stage under section 254(1)(k)? |
| | We agree that small societies should be able to provide very basic financial reports at their balance date, e.g., balance sheet plus a receipts and payments statement. Our club prefers to use a full set of accounts to our members, including balance sheet, income and expenditure account, cash flow statement, and depreciation schedule, complete with notes to the accounts, and have these accounts reviewed by a professional accountant, but that is our choice. | |
| 12 | <i>Determining the class of society that must have its financial statements audited</i> | Do you have any comments on MBIE's proposals regarding regulations under section 254(1)(l)? For example, do you agree that focusing on the proportion of societies that should be captured is appropriate? |
| | We would question a focus on the proportion of societies that should have their accounts audited rather than specify a discrete values of total fixed assets, incomes and expenditures or cash flows over which the accounts must be audited. These values may need to be amended periodically by Gazette Notice (if legal) or other means such as the application of CPI adjustment. As a sports club, we shall continue to choose to have our accounts reviewed as being a prudent practice. | |
| 13 | <i>Setting infringement fees</i> | Do you have any comments on MBIE's proposals regarding regulations under section 254(1)(m)? |
| | The proposed infringement fees appear to be reasonable. | |

| | | |
|----|--|---|
| 14 | <i>Prescribing the information to be included in infringement and reminder notices</i> | Do you have any comments on MBIE's proposals regarding regulations under section 254(1)(n)? |
| | No. The proposed information appears to be adequate. | |
| 15 | <i>Removal and restoration of societies from the register</i> | Do you have any comments on MBIE's proposals regarding regulations under section 254(1)(o)? |
| | No. The proposed requirements appear to be adequate and reasonable. | |
| 16 | <i>Prescribing certain matters relating to surplus assets</i> | Do you have any comments on MBIE's proposals regarding regulations under section 254(1)(p)? |
| | No. But it will be important to ensure that the ownership of any surplus assets, including any land, of an incorporated society, be disposed of at the society's dissolution in a way ensuring that it returns full current market value and the resulting income is fairly distributed in accordance with the society's constitution or by court order. Removal of a society's registration will not give rise to its immediate dissolution as its assets will remain the property of the society's members, albeit without the protection of the Inc.Soc. Act. | |
| 17 | <i>Prescribing procedural requirements for surplus asset 'resolutions'</i> | Do you agree with MBIE's proposal that no regulations should be made at this stage under section 254(1)(q)? |
| | Yes. Any society should be at liberty to dispose of any surplus assets in any way that is compatible with its constitutional requirements. | |
| 18 | <i>Prescribing how documents must be served on a society</i> | Do you have any comments on MBIE's proposals regarding regulations under section 254(1)(r)? |
| | No. | |
| 19 | <i>Prescribing how documents must be served on a person</i> | Do you have any comments on MBIE's proposals regarding regulations under section 254(1)(s)? |
| | No. | |

| | | |
|----|--|---|
| 20 | <i>Prescribing matters relating to the incorporated societies register</i> | Do you have any comments on MBIE's proposals regarding regulations under section 254(1)(t)? |
| | No. | |
| 21 | <i>Specifying matters concerning conversion into an incorporated society</i> | Do you have any comments on MBIE's proposals regarding regulations under section 254(1)(u), (v) or (w)? |
| | No. | |

Part 3 of the discussion document: section 254

| | Matter | Question |
|----|---|---|
| 22 | <i>Setting fees for the performance of functions or the exercise of powers</i> | Do you have any suggestions on regulations that should be made under section 255(1)(a)? |
| | Since registration is a once-off fee, we would not object to a reasonable cost-recovery fee, even if it is for re-registration. It will be small compared to the efforts required to ensure that the constitution is fully compliant with the 2022 Act. | |
| 23 | <i>Setting late fees</i> | Do you have any comments on MBIE's proposals regarding regulations under section 255(1)(b)? |
| | The fees proposed are reasonable | |
| 24 | <i>Setting other fees</i> | Do you agree with MBIE's proposal that no regulations should be made at this stage under section 255(1)(c)? |
| | Yes. | |

Part 4 of the discussion document: section 254

| | Matter | Question |
|----|---|---|
| 25 | <i>Providing that certain rules apply</i> | Do you agree with MBIE's proposal that no regulations should be made at this stage under section 256(1)(a)? |
| | Yes. | |

| | | |
|---|---|---|
| 26 | <i>Providing that certain legislative rules do not apply</i> | Do you agree with MBIE's proposal that no regulations should be made at this stage under section 256(1)(b)? |
| Yes. | | |
| 27 | <i>Prescribing matters for the purposes of Part 1 of Schedule 1</i> | Do you have any comments on MBIE's proposals regarding regulations under section 256(1)(c)? |
| No. The proposed regulations appear to be reasonable. | | |

Other comments

| | |
|--|--|
| | |
|--|--|