

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

Your name and organisation

Name	Thomas (Tom) Leslie Davies
Organisation (if applicable)	Pirongia Te Aroaro o Kahu Restoration Society Inc., [REDACTED] (with Charitable Status CC22495). Te Awamutu Huanui / Destination Te Awamutu Inc., [REDACTED] Interested trust: Ross Beever Memorial Mycological Trust [REDACTED]
Contact details	[REDACTED]

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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>In the Act Clause 45(3) (4) may I confirm this allows in some circumstances for the entire committee to be independent officers. I think this is a useful option although not likely to be invoked in most circumstances.</p> <p>109(2) <i>proposed</i> - the society's membership figure at the time of filing the annual return;</p> <p>I think it is more logical to provide the membership figure at the time of the AGM (Annual Report) [as presented at the AGM]</p> <p>193(a) (b) I think an amalgamation proposal should go to a General Meeting with members provided with a written copy of the proposal 20 days before the General Meeting.</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)?
		<p>Communications by Registrar 177(2)(b) & 186(2) '... published on the Companies Office website for not less than 20 working days'. Does this ensure this is obvious to people searching the Incorporated Societies section of the Companies Office website?</p> <p>33(2) Do all incorporated societies have a NZBN?</p>
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)?
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)?

	<i>Prescribing circumstances related to independent committee members</i>	Do you have any comments on MBIE's proposals regarding regulations under section 254(1)(e)?
5		<p>Regs 42 Threshold a. However this needs to have flexibility to meet any changes in the update of the Charities Act.</p> <p>Regs 37 - 43 and possibly elsewhere. I don't understand the reason we are giving 'special treatment' to 'national or regional physical recreation / sporting organisations'. While we have recent issues with these organisations the same human issues might equally (perhaps even more likely) occur within the 'abilities' sectors such as diabetes, epilepsy, religious (eg Gloriavale), blind, deaf, mobility, aged, etc sectors. These regulations should be looking at all of our future 3+ decades, not just 'the issues of the day'.</p>
	<i>Prescribing jurisdictions whose officer disqualifications we will recognise</i>	Do you have any comments on MBIE's proposals regarding regulations under section 254(1)(f)?
6		I think the banned officers should include our near Pacific neighbours. In those countries with legislation essentially similar to ours. With the option to ban those from other countries remaining with the GG.
	<i>Prescribing the types of changes in officer information that must be notified</i>	Do you have any comments on MBIE's proposals regarding regulations under section 254(1)(g)?
7		
	<i>Regulating constitutional provisions on conflicts of interest</i>	Do you agree with MBIE's proposal that no regulations should be made at this stage under section 254(1)(h)?
8		
	<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)?
9		

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)? I'm ok with the description of total current assets in paras 74 – 78.
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)? What are envisaged as, 'requirements prescribed by the regulations' 81 pg 26 Otherwise agree with MBIE's proposal.
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? \$550,000 expenditure threshold for compulsory audit Regs note 102 raise the not paying income tax on the first revenue each year to \$20,000 (from \$1000). Otherwise sounds ok to me.
13	<i>Setting infringement fees</i>	Do you have any comments on MBIE's proposals regarding regulations under section 254(1)(m)? 2.2.13 Is this statutory limit (\$1000) fixed in law? I propose that the infringement fees are not at all realistic and not sufficient to deter offending? Infringements are for those societies that are letting the rest of us down and putting our hard earned public trust at risk so I think they should be substantially increased. In 113 these penalties are too little. If we have no realistic choice all should be at the 'statutory limit' of \$1000 (+GST). 115 We accept that many societies are currently 'fragile' however are we writing these regulations for three years or for three decades? What options do we have to 'name and shame' societies that are not meeting their / our obligations? Eg Infringement Notice's are published in the public media. Perhaps much more effective than proposed or any infringement fees?

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)?
I agree with what is proposed.		
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)?
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)?
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)?
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)? In '140. c.' delete or its head office' this is irrelevant and simply confusing. Facsimile machines are close to redundant as are landline numbers so i question if these and other clauses are relevant?
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)? Officers appear to me, to be required to have the same contact address requirements as members; that is 'the last known contact details of each member'? 79(2)(b) or have I missed something? Is this adequate for delivery of documents to an officer as envisaged in 2.2.19? 151. & 153. How often has this issue arisen in the past and / or expected to arise in the future? Perhaps an obligation on the society to send to members and / or creditors? And / or to place in most commonly accessed media in the region of the societies registered address?

	<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)?
20		<p>156. Does 'not inconsistent' have some greater significance than simply saying 'consistent'?</p> <p>157. May I confirm that a person in normal circumstances searching the register is able to see all filings made by the society, unless under the act or the regulations the registrar has limited access?</p> <p>Otherwise I agree with the comments in this section.</p>
	<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)?
21		<p>158. 159. Is the word 'convert' correct or will "a society incorporated as a board under this Part ..." be 'both' that is 'an Incorporated Society with Charitable status'? and / or fully 'convert'? OR do Incorporated Societies with Charitable Status cease to exist under the Inc Soc's Act 22?</p> <p>162. 163. – 171 What other statutes similar to the LIANZA might be included in the Inc Soc's Act 22?</p>

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>	<p>Do you have any suggestions on regulations that should be made under section 255(1)(a)?</p> <p>22,23,24. In setting Incorp Soc's fees these should recognise the For Purpose nature of these entities as opposed to those For Profit nature of most companies, etc. The converse is that For Profit fees / infringements / penalties should be raised.</p> <p>No regulations at this stage.</p>
23	<i>Setting late fees</i>	Do you have any comments on MBIE's proposals regarding regulations under section 255(1)(b)?

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)?

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)?
25, 26 I agree with MBIE's proposal		
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)?
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)?
<p>I am against a fee for re-registration. This new act is in the interests of our national society as a whole so our national society should pay. Each society will invest a great deal of time in bringing our constitutions / rules up to the new standard and a fee (modest as it may be) will leave a sour taste in my mouth. Many of us have already invested a significant amount of volunteer time. I consider if I was in For Profit my time is worth over \$100 / hour. Perhaps 10 hours on this project to date. That is 10 hours not working For Purpose.</p> <p>The fees / penalties / infringements noted in 9(5) and else where should only be introduced following the deadline for re-registration; that is April 2026.</p>		

Other comments

28	In the Act Clause 45(3) (4) may I confirm this allows in some circumstances for the entire committee to be independent officers. I think this is a useful option although not likely to be invoked in most circumstances.
<p>[1] Do you have any comments on MBIE's proposals regarding regulations under section 254(1)(a)?</p> <p>109(2) <i>proposed</i> - the society's membership figure at the time of filing the annual return;</p>	

I think it is more logical to provide the membership figure at the time of the AGM (Annual Report) [as presented at the AGM]

193(a) (b) I think an amalgamation proposal should go to a General Meeting with members provided with a written copy of the proposal 20 days before the General Meeting.

[2] Do you have any comments on MBIE's proposals regarding regulations under section 254(1)(b)?

Communications by Registrar

177(2)(b) & 186(2) '... published on the Companies Office website for not less than 20 working days'. Does this ensure this is obvious to people searching the Incorporated Societies section of the Companies Office website?

33(2) Do all incorporated societies have a NZBN?

[5] Do you have any comments on MBIE's proposals regarding regulations under section 254(1)(e)?

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[6] Do you have any comments on MBIE's proposals regarding regulations under section 254(1)(f)?

I think the banned officers should include our near Pacific neighbours. In those countries with legislation essentially similar to ours. With the option to ban those from other countries remaining with the GG.

[10] Do you have any comments on MBIE's proposals regarding regulations under section 254(1)(j)?

I'm ok with the description of total current assets in paras 74 – 78.

[11] Do you agree with MBIE's proposal that no regulations should be made at this stage under section 254(1)(k)?

What are envisaged as, 'requirements prescribed by the regulations' 81 pg 26

Otherwise agree with MBIE's proposal.

[12] 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?

\$550,000 expenditure threshold for compulsory audit

Regs note 102 raise the not paying income tax on the first revenue each year to \$20,000 (from \$1000).

Otherwise sounds ok to me.

[13] Do you have any comments on MBIE's proposals regarding regulations under section 254(1)(m)?

2.2.13 Is this statutory limit (\$1000) fixed in law? I propose that the infringement fees are not at all realistic and not sufficient to deter offending? Infringements are for those societies that are letting the rest of us down and putting our hard earned public trust at risk so I think they should be substantially increased. In 113 these penalties are too little. If we have no realistic choice all should be at the 'statutory limit' of \$1000 (+GST).

115 We accept that many societies are currently 'fragile' however are we writing these regulations for three years or for three decades?

What options do we have to 'name and shame' societies that are not meeting their / our obligations? Eg Infringement Notice's are published in the public media. Perhaps much more effective than proposed or any infringement fees?

[14] I agree with what is proposed.

[15] [16] [17] No comments.

[18] Do you have any comments on MBIE's proposals regarding regulations under section 254(1)(r)?

In '140. c.' delete or its head office' this is irrelevant and simply confusing.

Facsimile machines are close to redundant as are landline numbers so i question if these and other clauses are relevant?

[19] Do you have any comments on MBIE's proposals regarding regulations under section 254(1)(s)?

Officers appear to me, to be required to have the same contact address requirements as members; that is 'the last known contact details of each member'? 79(2)(b) or have I missed something? Is this adequate for delivery of documents to an officer as envisaged in 2.2.19?

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[20] Do you have any comments on MBIE's proposals regarding regulations under section 254(1)(t)?

156. Does 'not inconsistent' have some greater significance than simply saying 'consistent'?

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Otherwise I agree with the comments in this section.

[21] Do you have any comments on MBIE's proposals regarding regulations under section 254(1)(u), (v) or (w)?

158. 159. Is the word 'convert' correct or will "a society incorporated as a board under this Part ..." be 'both' that is 'an Incorporated Society with Charitable status'? and / or fully 'convert'? OR do Incorporated Societies with Charitable Status cease to exist under the Inc Soc's Act 22?

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In setting Incorp Soc's fees these should recognise the For Purpose nature of these entities as opposed to those For Profit nature of most companies, etc. The converse is that For Profit fees / infringements / penalties should be raised.

No regulations at this stage.

[25] [26] I agree with MBIE's proposal

[27] Do you have any comments on MBIE's proposals regarding regulations under section 256(1)(c)?

I am against a fee for re-registration. This new act is in the interests of our national society as a whole so our national society should pay. Each society will invest a great deal of time in bringing our constitutions / rules up to the new standard and a fee (modest as it may be) will leave a sour taste in my mouth. Many of us have already invested a significant amount of volunteer time. I consider if I was in For Profit my time is worth over \$100 / hour. Perhaps 10 hours on this project to date. That is 10 hours not working For Purpose.

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