

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

Your name and organisation

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Organisation (if applicable)	Taihape and District Historical and Museum Society Incorporated
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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)?
		Re 9(a), we do not agree with the suggestion that the application should include certification that "a majority of the members of the proposed society have consented to the application". Instead, why not ask for certification that "a majority of the members (or delegates) attending a general meeting for the purpose of agreeing to incorporation have consented to the application." Even with our small organisation, contacting and getting responses from members can be difficult, and we are time poor as we are run entirely by volunteers.
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
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, except do not completely understand para 29 "That definition includes a limb that provides that the term..." We also do not agree with your example "a. certain positions within all societies (e.g. society 'secretaries') should not be considered offices; [shouldn't that be "officers", not "offices"?] as our secretary is an integral officer of the organisation.
5	<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)?
		No

6	<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)?
	No	
7	<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)?
	You suggest re 58a "any change to an officer's name, contact address or email address (including the date of the change)" – why not ask for notification of any change to an officer's telephone, since the Act says (2) A requirement under this Act to provide the contact details of a person is a requirement to provide at least— (a) a physical or an electronic address used by the person; and (b) a telephone number that is used by the person	
8	<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)?
	Yes	
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)?
	Yes, agree. Please see our comment on Question 1 where we suggested, "why not ask for certification that "a majority of the members (or delegates) attending a general meeting for the purpose of agreeing to incorporation have consented to the application." Even with our small organisation, contacting and getting responses from members can be difficult, and we are time poor as we are run entirely by volunteers	
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)?

First of all, please note Para 72, should say, “define the term ‘total current assets’” not “define the term ‘current total assets’”- these mean two different things!

Secondly, surely the definition of ‘current assets’ was decided when the Act was created – has this been investigated? It seems strange that another organisation has to define what is in an Act.

We note that the definition of small societies includes the criteria that, at the balance date of the accounting period, the society is not an entity described in section LD 3(2) of the Income Tax Act 2007 (a donee organisation). As our organisation is a donee organisation, and we envisage many incorporated societies would be, our organisation is not regarded as a small society in relation to this Act. It is confusing, as XRB are currently reviewing their criteria and are considering a new category for “small” Tier 4 NPF categories, again something that is we believe making things more complicated, not less, for small NFPs.

We do however have an opinion on the definition. Our preference is to keep current assets definition as being liquid assets (money in a bank or in shares). We can envisage the scenario outlined in paras 76 and 77. We believe it could lead to complications and unfairness. No-one can predict the future. Even if the items are up for sale, no-one can predict sale date. Even if you just included sales where there is an unconditional contract with a purchaser why wouldn’t you include any unconditional contract – whether it be for sales or purchases – which would have the effect of increasing or decreasing ‘current assets’.

In addition, if the society meets criteria (i) in each of the 2 preceding accounting periods of the society, the total operating payments of the society are less than \$50,000, and ‘current assets’ is taken as ‘liquid assets’, and the society is not a donee organisation, then it would be safe to assume the society is a small society, and no further expansion of the definition needs to be made.

<p>11</p> <p><i>Prescribing additional requirements for the financial statements of small societies</i></p>	<p>Do you agree with MBIE’s proposal that no regulations should be made at this stage under section 254(1)(k)?</p>
<p>Yes</p>	
<p>12</p> <p><i>Determining the class of society that must have its financial statements audited</i></p>	<p>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?</p>
<p>No comments</p>	
<p>13</p> <p><i>Setting infringement fees</i></p>	<p>Do you have any comments on MBIE’s proposals regarding regulations under section 254(1)(m)?</p>
<p>No comments</p>	

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 comments	
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)?
	Deadlines align with other deadlines in Act, so agree	
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 comments	
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	
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 comments	
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 comments	
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)?

	See our response to Question 1." We do not agree with the suggestion that the application should include certification that "a majority of the members of the proposed society have consented to the application". Instead, why not ask for certification that "a majority of the members (or delegates) attending a general meeting for the purpose of agreeing to incorporation have consented to the application." Even with our small organisation, contacting and getting responses from members can be difficult, and we are time poor as we are run entirely by volunteers."	
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 comments	

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)?
	No comments	
23	<i>Setting late fees</i>	Do you have any comments on MBIE's proposals regarding regulations under section 255(1)(b)?
	No comments	
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)?
	No comments	

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)?
	No comments	
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)?

	No comments	
	<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)?
27	<p>In the Act, the wording in Schedule 1 9(3)(b)(i) (re amendments of an existing society's rules) uses the words 'general meeting' not AGM: " must be approved at a general meeting"</p> <p>Please amend this section in your consultation document and going forward. So your recommendation should say "At this stage, we do not propose that the regulations set out an alternative to approving the amendments through a majority vote at A GENERAL MEETING."</p> <p>If the recommendation is changed to our suggestion, we agree to it.</p> <p>We have no other comments on Question 27.</p>	

Other comments

	<p>If we are correct in our assumptions regarding possible typos or inaccuracies in the consultation document, this does concern us. If we are wrong, we would appreciate you correcting us. For small local volunteer organisations, rules and regulations are a burden, and we like to think they are only imposed by necessity and by the experts who fine tune these things. It does seem to us that the rules and regulations are becoming more complicated over the years (and you have pointed out the increase in regulations from the previous to the current Act). Even when the intention from the agencies is to simplify, it can actually confuse and complicate. We hope you are putting yourselves in our position when you consider regulations and have genuinely, as you have written in 1.3 Objectives, kept front of mind the fact that incorporated societies are not companies and, given their not-for-profit nature and the fact that many are staffed by volunteers, should not always be held to the same standards.</p>
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