

Submission template

Draft Incorporated Societies Regulations 2023 and proposed initial fees under the Incorporated Societies Act 2022

Your name and organisation

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Organisation	Sport New Zealand

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Draft Incorporated Societies Regulations 2023

1	Title, Commencement and Part 1 – Preliminary provisions
	Do you have any comments to make in relation to regulations 1-4? (Title, commencement, and Part 1)
	No comment.
2	Part 2 – Incorporation of societies
	Do you have any comments to make in relation to regulations 5-7? (Incorporation of societies)
	No comment.
3	Part 3 – Administration of societies: Officers
	Do you have any comments to make in relation regulations 8-12? (Officers)
	No comment.
4	Part 3 – Administration of societies: Members
	Do you have any comments to make in relation to regulations 13-14? (Members)
	No comment.
5	Part 3 – Administration of societies: Financial reporting
	Do you have any comments to make in relation to regulations 15-16? (Financial reporting)

We re-submit our preferred (alternative) definition of total current assets as follows:

“total current assets means total assets excluding:

(a) long-term investments which are not intended to be converted in unrestricted cash within 12 months of balance date (e.g. term deposits, shares not held for sale and other investment portfolios), and

(b) fixed assets (items of property, plant and equipment).”

This is in line with best practice accounting practices.

It will also prevent entities that should be / are small societies ending up falling in and out of other reporting regimes taking up time and money that they don't have accommodating those changes.

By way of example -

In the absence of the guidance and examples provided by MBIE, if you take the current definition of total current assets per the regulations (see below), a fixed asset (such a vehicle or building) that is intended to be sold within 12 months of a society's balance date could be considered a current asset. Ordinarily, fixed assets are non-current assets, and our submission to use an alternative definition of total current assets (above) makes it clear that in such cases fixed assets are still treated as non-current assets.

1. Section 15 in the [exposure draft for the Incorporated Societies Regulations 2023](#) provides the definition of total current assets, as follows:

15 Definition of total current assets

(1) For the purposes of section 103 of the Act, total current assets means the total value of the society's assets that each individually satisfy any 1 or more of the following criteria:

(a) the asset is expected to be sold or otherwise disposed of within 12 months of the society's balance date:

(b) the asset is primarily held for the purpose of being traded:

(c) the asset is cash or a cash equivalent and is not restricted from being exchanged or used to settle a liability for at least 12 months after the society's balance date.

(2) In this regulation,—

cash means cash on hand and demand deposits

cash equivalent means a short-term, highly liquid investment that is readily convertible to a known amount of cash and that is subject to an insignificant risk of changes in value.

We remain happy to talk further.

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Part 3 – Administration of societies: Annual return

Do you have any comments to make in relation to regulations 17-18? (Annual return)

No comment.

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Part 3 – Administration of societies: Other matters

Do you have any comments to make in relation to regulations 19-28? (Other matters)

No comment.

**Part 4 – Removal from register, amalgamation, liquidation, and other processes:
Removal from, and restoration to, register**

Do you have any comments to make in relation to regulations 29-38? (Removal, amalgamation, liquidation, and other processes)

No comment.

9	<p>Part 4 – Removal from register, amalgamation, liquidation, and other processes: Amalgamations</p> <p>Do you have any comments to make in relation regulations 39-41? (Amalgamations)</p>
	<p>No comment.</p>
10	<p>Part 4 – Removal from register, amalgamation, liquidation, and other processes: Removal or liquidation of societies</p> <p>Do you have any comments to make in relation to regulations 42-44? (Removal or liquidation)</p>
	<p>No comment.</p>
11	<p>Part 5 – Societies and entities incorporated under other or former Acts: Reregistration of existing societies as societies under 2022 Act</p> <p>Do you have any comments to make in relation to regulations 45-46? (Reregistration of existing societies)</p>
	<p>No comment.</p>
12	<p>Part 5 – Societies and entities incorporated under other or former Acts: Reregistration of specified entities and incorporated branches</p> <p>Do you have any comments to make in relation to regulations 47-52? (Specified entities and incorporated branches)</p>
	<p>No comment.</p>
13	<p>Part 6 – Infringement fees and other fees</p> <p>Do you have any comments to make in relation to regulations 53-57? (Infringement fees and other fees)</p>
	<p>No comment.</p>
14	<p>Part 7 – Transitional regulations for implementation of the 2022 Act</p>
	<p>Do you have any comments to make in relation to regulations 58-61? (Transitional regulations)</p>
	<p>Regulation 60: We appreciate the assistance from MBIE in securing a temporary exemption from s 45 (3), which currently requires a minimum of 51% of board members being members of the society.</p> <p>We look forward to continuing discussions towards a permanent exemption for all the reasons outlined in our original submission.</p>
15	<p>General comments</p> <p>Do you have any general comments regarding the regulations?</p>
	<p>No comment.</p>

Proposed initial fees under the Incorporated Societies Act 2022

16	<p>Initial fees</p> <p>Do you agree with our proposal to roll over the current fees under the 1908 Act to the 2022 Act to cover the period until the system-wide funding review is complete? If not, why not?</p>
	<p>No costs preferable, with the alternative being as low as possible given the cost of compliance with the new Act and regulations particularly for complex federated structures will be significant.</p>