



auckland north community  
and development

17 June 2016

Auckland North Community and Development

Withheld

Made to: Ministry of Business, Innovation and Employment  
societies@mbie.govt.nz

### **Submission to the Incorporated Societies Bill – Exposure Draft**

Auckland North Community and Development ANCAD (previously NSCSS) works across five Local Board areas, including Devonport Takapuna, Kaipatiki, Hibiscus and Bays, Upper Harbour and Rodney. We also work at a regional level, both in the area of community development on a number of projects, as well as the provision of training and education for the community across the Auckland region. We have developed one of the largest community databases in Auckland.

ANCAD has a membership base of over 150 community groups on Auckland's North Shore including arts, environment, health, migrants & refugees, Māori, Pacific, older adults, family services, education, community, youth and disability sectors.

We are affiliated to Community Networks Aotearoa, Hui E Community Aotearoa, Christian Council of Social Services and ANGOA in the social policy field in Wellington.

### **Background**

This Bill is looking to replace the 107-year-old Incorporated Societies Act that is very out of date. The Law Commission and the Ministry of Business, Innovation and Enterprise (MBIE) no longer believe it is fit for purpose. The government called for feedback in June 2011, in which ANCAD (then NSCSS) provided a detailed submission along with 200 other organisations. Much of the feedback from this process has been taken into account, with positive changes reflected in the new draft exposure bill. Many of the changes will give more certainty to Incorporated Societies and their members and enhance protections; therefore many of the changes will provide benefits for incorporated societies.

The government is looking at allowing a considerable length of time for organisations to consider how they may be impacted, take advice if necessary and make a transition over a four-year, multi-stage period of time to the new requirements.

### **ANCAD's thoughts and recommendations:**

- ANCAD supports the purpose and intent of this exposure draft.
- We are aware that some community organisations have moved away over the last few years from the Incorporated Societies model to adopt, instead, a Trust model because of the inadequacy of the current Act. The proposed changes in this bill should hopefully restore more confidence in the model.
- We support the Bill's proposals in clarifying the roles and responsibilities of officers and the guidance around the resolution of disputes, conflicts of interest, complaints and grievances. Many community organisations rely on the commitment and dedication of volunteers who donate their time tirelessly to act as officers. Many will welcome greater certainty around clearer and better processes.
- ANCAD agrees that Societies should remain free from any sort of government interference and supports legislation that ensures this.
- ANCAD also supports the provision that societies must **not** operate for financial gain and that members will not gain financially. This does not mean the Society cannot engage in trade (such as social enterprise); pay a member for expenses related to the purpose of the Society; provide benefits to members of the public, such as scholarships; pay salary or wages at a market rate; or provide a member with incidental benefits, e.g. prizes, etc.

### **Some concerns:**

- Section 83: The Bill would put unnecessary compliance burden on very small societies. ANCAD recommends that agencies whose funds are under \$20,000 be exempt from having to report according to the detailed reporting standards. Many individuals come together around a shared issue, activity or aspiration and reporting to government is not part of what they want or need to do. It would be a shame if this put off a lot of worthy causes that might grow from small beginnings.
- Section 187: Requires any appeals from decisions of the Registrar to go to the High Court within 15 days, although the Court can extend this if a Society applies. It would be difficult for some community organisations to gather material, get advice, meet and lodge an appeal within 15 days. We recommend a longer time frame.

Yvonne Powley  
**Executive Officer**

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