

19 June 2016



Ministry of Business, Innovation and Employment (MBIE)  
PO Box 1473  
Wellington 6140

**Submission in Response to:** Incorporated Societies Bill - Constitution draft  
**From:** Australasian Society of Association Executives (AuSAE)

## Introduction

The Australasian Society of Association Executives (AuSAE) is the peak not-for-profit professional society in New Zealand and Australia. We represent over 10,000 individual leaders working in not-for-profit organisations throughout Australasia. AuSAE's purpose is to foster a strong and robust Association sector in New Zealand and Australia, through the professional development, support and networking of existing and emerging Association leaders. We currently engage with 2000 Association professionals in the not-for-profit sector in New Zealand.

In regards to the Incorporated Societies Bill, AuSAE has run a series of member meetings throughout the country, to support understanding of the bill. As an incorporated society, AuSAE in New Zealand represent over 200 professional, trade and industry associations and membership based organisations.

AuSAE is pleased to provide its submission to the draft 'Incorporated Societies Bill'. AuSAE supports the intent of the bill that aims to have a more up-to-date and robust legislation of the sector. We do note that this bill will require more work from the legal profession in the short term. However it will provide a long term benefit for the incorporated societies sector. .

We understand that some of our members will also provide submissions directly to MBIE to reflect the views of their own organisation.

## Proposed Changes / Amendments

### 1 Section 24 (1) (j) Contents of the Constitution

Procedures for resolving disputes between the members (in their capacity as members) and between members of the society, including procedures for investigating and dealing with -

- (i) the grievances of members ....
- (ii) complaints concerning the misconduct....

### Proposed Changes

We propose a more robust mandatory clause, not just procedures for determining disputes between members but the inclusion of constitutions must have a process for resolving disputes between members'.

### Rationale

We believe that just having a 'procedure' on how to achieve the activity/resolve does not cover this clause fully in the bill. Adding that you must have the 'process', ensures incorporated societies will then need to have a structured set of rules designed to accomplish the member objectives.

## **2 Section 24 (i) (m) Contents of the Constitution**

The nomination of a not-for-profit identity, or a class or description of not-for-profit entities, to which any surplus assets of the Society...

### **Proposed Amendments**

Under the first sentence as above we propose adding an 'and/or'

The nomination of a not-for-profit identity, 'and/or' a class or description of not-for-profit identities, ...

### **Rationale**

Having just one option of either nominating a number not-for-profit identity or class or description, doesn't future proof the surplus funds of the liquidated society, as the nominated identity may have also been liquidated. Having the option of nominating a not-for-profit identity and/or a class or description, ensures that the liquidated society can give the surplus funds to the nominated identity and if this is also liquidated, to a like-minded society (that the profit identity or class or description has been nominated).

## **3 Section 32 constitution may provide for arbitration**

Entire section

### **Proposed Changes and Rationale**

This section which covers arbitration, does not take into account society members that have already set up legal arbitration processes. This is part of their constitution, as they deal with public grievances and complaints in regards to the members. We propose a clause is added which allows incorporated societies that have set up legal arbitration processes to use these, instead the incorporated societies that have a legal arbitration service to the public would have reference to the arbitration under the act 1996.

## **4 Section 39 qualifications of an officer**

(2) the following persons are disqualified from being appointed or holding office as an officer of a society:

(a) a person who is under 16 years of age:

### **Proposed Amendment**

Increase to **18** years of age for a person to be appointed or holding office as an officer of the society.

### **Rationale**

Increasing to 18 years of age aligns it with the New Zealand companies Act 1993, which has the age of 18 years of old for a person to be on a committee. 18 years of age is a more appropriate age for someone to be an office holder of a society.

## **5 Section 43 Contact Officer**

(3) (a) a member of the Society's committee (and, accordingly, must not be disqualified under section 39 (2)): and

### **Proposed Amendment**

... a member of the Society's committee 'and/or a designated employee' (and, accordingly.], must not be...

### **Rationale**

A number of Incorporated Societies have multiple staff which deal with the day to day running of the Society, with the committee dealing with the governance and strategy. Adding to the clause 'and/or a designated employee' would still ensure the Society is contactable by the ministry at all times.

## **6 Section 75 Methods of Holding Meetings**

An annual general meeting of the Society may be held by a quorum of members-

(a)...

(b) Participating in the meeting by means of audio, audio and visual, or electronic communication; or ...

### **Proposed Changes**

We would like to see clearer clarification by the means of 'electronic communication'.

### **Rationale**

As the annual general meeting can only be held by quorum of members, having the terminology 'electronic communication', this may include members can be corresponding at the AGM and included in the quorum over email. We believe this should not be the case at the AGM.

## **7 Section 185 appeals from decision under section 184**

(1) A person who is aggrieved by the refusal to disclose a document, information, or report under section 184 may appeal to the High Court within 15 working days after being notified of that refusal, or within any timeframe that the court may allow

### **Proposed Amendment**

We propose the timeframe of the appeal be increased from 15 to 25 working days.

### **Rationale**

The reason for the increased number of working days from 15 to 25 for an appeal is because Incorporated Societies are predominantly comprised of volunteer boards. Thus requiring more time for the committee to reconvene on important matters such as the appeal process.

## **8 Review**

We propose that from the date the Incorporated Societies bill is passed in Parliament the following review process.

- an omnibus review in five (5) years and
- a formal review at the ten (10) year anniversary.

## Conclusion

AuSAE congratulates MIBE and the Law Commission on the foresight to establish a more robust act for the Incorporated Society sector.

AuSAE welcomes the opportunity to provide further information and to work with officials to positively influence outcomes relating to the areas highlighted. In the event an occasion exists to elaborate further on comments made within the submission, we relish the chance to meet with the committee and to share ideas and discuss our experiences.

Contact relation to the submission should be directed to the general manager, New Zealand, Brett Jeffery.

Withheld

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