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## **Submission: Draft, Incorporated Societies Bill**

This Submission is based on information presented at the Christchurch Consultative Seminar organised by Hui E! and presented by representatives of MBIE and Ministry of Internal Affairs.

### **1. Background Information on Cycling Action Network (Inc.)**

- Cycling Action Network (Inc.) (henceforth "CAN") is presently an incorporated society and a registered charity.
- CAN represents the interests of everyday cyclists from across New Zealand.
- CAN is structured as a network, made up of 23 local cycling advocacy groups and over 600 members.
- CAN is run by volunteers, but employs a Project Manager (0.8 FTE). CAN is also a contractor to NZ Transport Agency, delivering outcomes that contribute to meeting CAN's aims and objectives.
- According to the International Classification of Nonprofit Organisations presented at the seminar, CAN is probably best classified under Group 5 Environment (5.100 Environment).

### **2. Key Points in this Submission**

- CAN supports most of the provisions of the draft Bill, but recommends a comprehensive and ongoing education programme. This is especially important for making the obligations of society officers more widely known.
- CAN also supports all provisions that minimise potential government agency interference in society activities so that the primary accountability is through the society's members.

- The main improvement to the draft Bill would be inclusion of a single reporting for organisations that are both incorporated societies and registered charities.
- CAN would also welcome clarification in the final legislation of the formation, role and accountability of society subcommittees.

### 3. The draft Bill

- CAN generally supports the provisions of the draft Bill and would have to make comparatively few amendments to its Rules to comply.
- CAN has absolutely no problems with provisions prohibiting profits or benefits to members.
- Allowing incorporated societies to enter into contracts and to hold assets related to a society's aims and objectives are fundamental to CAN's mode of operation and would be essential features of the final legislation.
- Retaining the exemption from personal liability of members is fundamental to any civil society organisation, CAN included.
- According to information presented at the Seminar, people are "often" elected onto committees and into office holder positions without a clear understanding of the attendant responsibilities. We think that very few people thus elected are aware of their responsibilities. We therefore agree that the new legislation should make explicit these responsibilities; we also think that government agencies need to undertake an education campaign that effectively informs societies and their office holders of these responsibilities.
- Similarly, we support the enshrinement within the new legislation on the management of conflicts of interest. In the case of CAN, one example of a potential conflict of interest at officer level could be where an officer is also a director of a traffic engineering company. Such companies typically contract their services to local government agencies for the design of cycling infrastructure; CAN's success in achieving its aims and objectives is also likely to transfer to more work for traffic engineering companies. Previously, these conflicts of interest have been managed by directors and other employees avoiding office holder positions. Having explicit requirements in the legislation would be very helpful to CAN, its members and potential office holders.
- Looking at CAN's current Rules, most of the proposed requirements in the Bill are already in place. The exceptions are explicit provisions for: accessing the register of mem-

bers; entering into legal obligations; and procedures for resolving internal disputes. We support the inclusion of all of these requirements. CAN should easily meet the proposed 2020 deadline for updating its Rules.

- Thinking about court order enforcement of a society's rules, CAN strongly supports the concept that the primary accountability is to members with as little involvement of government agencies as possible. This is particularly important for organisations such as CAN, who often make trenchant criticism of government agencies in the course of fulfilling society aims and objectives.
- As both an incorporated society and a registered charity, CAN would like the Bill to include a "reporting once" provision. Having two sets of reporting obligations is confusing to committee members and entails extra work for volunteer officers.
- Something that is not clear in the draft Bill is the role of subcommittees. We understand that Hui E! has queried the absence of such a provision and CAN would like the formation, role and accountability of subcommittees to be included in the legislation.

CAN thanks you for the opportunity to make a submission on the draft Bill.

Withheld

Will Andrews

Chair

Cycling Action Network (Inc.)