

21st June 2016



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

Re; Submission - Incorporated Societies Bill

To Whom it may Concern,

About Eastern & Central Community Trust (ECCT)

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ECCT is one of 12 community trusts throughout New Zealand who are custodians of over 3.5 billion dollars of investments and collectively grant approximately 100 million dollars back into thousands of community organisations (Incorporated Societies) throughout New Zealand each year.

Over the past 28 years ECCT, as one of New Zealand's largest philanthropic organisations, has assisted many incorporated societies with grants totaling over \$120 million to help communities in need throughout the East Coast, Gisborne, Hawkes Bay, Tararua, Wairarapa, Manawatu and Horowhenua

Our vision is to help build stronger more sustainable communities.

General Position

ECCT in general supports the Exposure Draft for the Incorporated Societies Bill to replace the Incorporated Societies Act 1908, which is now 108 years old. We support the proposed four year transition period as well as the proposed measures intended to strengthen the overall governance structures of incorporated societies.

ECCT also supports the requirement for incorporated societies to have a model constitution, elected officers, key contact person and increased accountabilities. Our support for these changes principally arises from the Trust's support for enhancing the capability, performance, resilience and effectiveness of incorporated societies and the invaluable work they collectively undertake throughout New Zealand, more often in vulnerable communities.

ECCT believes it is important for incorporated societies to operate within sound governance structures with robust processes and quality governance leadership.

Specific Concerns

- a) The lack of capacity for time and resource scarce community organisations to manage compliance under the proposed new requirements.
- b) The threat to attracting and retaining quality unpaid Officers to organisations, particularly with the increased officer duties, accountabilities and compliance obligations under the new Bill.

- c) The low level of wider consultation around the proposed changes and inadequacy of the MBIE roadshows which were restricted to main centres only.
- d) The regulatory processes should be the same for Charities and Incorporated Societies to allow funders and peak bodies to reduce and simplify their processes such as the same reporting templates, the same compliance requirements and same tier boundaries.

Recommendations

1. MBIE develop a significant 'transition resource kit' for incorporated societies which is supported by regionalised training workshops, in affect stepping incorporated societies through the transition process to compliance. We believe it is important the transition resource kit should be supported by training to make it accessible and it is delivered throughout New Zealand and specifically the region that ECCT represents.
2. Consideration be given to the development of common reports and templates required by Charities and Incorporated Societies when reporting to the regulator. This would ensure that an organisation could use common information for the regulator as well as potential funding bodies.

If you would like to contact me to discuss any aspects of this letter please feel free to do so.

Yours faithfully



Jonathan Bell
General Manager