

From: alan peck <gensec@gsa.org.nz>
Sent: Monday, 30 May 2016 3:31 p.m.
To: Societies
Subject: COMMENT ON EXPOSURE DRAFT OF INCORPORATED SOCIETIES BILL

COMMENT ON EXPOSURE DRAFT OF INCORPORATED SOCIETIES BILL

Government Superannuitants Association of New Zealand Incorporated

The Government Superannuitants Association (GSA) was established in 1920 to protect the interests of members of the Government Superannuation Fund (GSF). Today it has 28,000 members, but as the scheme was closed off to new entrants in 1992 the GSA is a "sunset organisation". Actuarially, it will lose its last member sometime after 2070.

In the meantime, however, the GSA remains an active organisation, registered as an incorporated society, whose constitution provides for 19 branches, varying in size from Wellington and Auckland each with more than 5,000 to Taupo with little more than 300. Branches meet usually every second month, and they all have an AGM (to which every member is invited by a posted circular) to elect a chair and a committee.

The governing body of the GSA is its Council, which normally meets once per year at the annual conference, to which branches send delegates. Branch voting strength is reflected by their membership numbers. The organisation is centrally run by a Board of nine members elected at the annual conference.

Policies and constitutional changes are determined by the annual conference, and branches direct their delegates on these issues. GSA rules provide for remits for the annual conference and candidates for the Board to be distributed well in advance of the conference. Every effort is made to ensure there is active, democratic participation by as many members as possible.

The GSA is concerned, therefore, by two issues in particular in the exposure draft. This does not, however, mean that we may have more issues to submit on when the bill is finally brought to Parliament.

The first issue is the question of annual general meetings. Clause 75 refers to a "quorum of the members" attending. With 28,000 members, spread over 19 branches across the country, it would not be possible to specify a quorum of the general membership to attend the annual conference. There is, however, a quorum for the board of the GSA.

The legislation needs to be written to accommodate the sort of incorporated society that the GSA represents - a democratic organisation based on a branch structure with rules to ensure policies and elected officials have the support of members as expressed through branches. The GSA would be best suited by legislation which allows for a quorum at branch, rather than national level. Any member may attend the branch AGM to select the committee, to organise local issues, and to send delegates to the national annual conference. The New Zealand Parliament works on a similar basis.

The second issue concerns Schedule 2 and the mandatory dispute resolution process. Now, it is common knowledge (and mentioned at the seminars MBIE ran) that Federated Farmers had a dispute with at least one of their branches that ran for almost a decade. It is not clear, however, that new legislation should mandate a dispute resolution process because one organisation was incapable of resolving their differences.

The debate at GSA branches and subsequently at the annual conference gives ample opportunity for contending points to be put and for the democratic will of the membership to be reflected in the outcome. The failure of one organisation to resolve its differences should not be the opportunity for a vexatious minority to have legislatively mandated provisions to challenge a democratic decision which they have lost. In our view there is not an adequate reason for Schedule 2 to be included if the rules of the incorporated society have adequate mechanisms for the democratic will of the membership to be expressed. The Registrar's endorsement of the Constitution of Societies should ensure there are means to express the members' wishes, and additional legislative provision is, in our view, unnecessary.

There may be other provisions on which the GSA will have views when the legislation is finally brought into Parliament.

Yours sincerely

(Alan Peck)

Executive Officer

Government Superannuitants Association

Office: 04 4727006

Withheld

Email: gensec@gsa.org.nz

www.gsa.org.nz