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## Exposure Draft: Incorporated Societies Bill

New Zealand Kindergartens welcomes the opportunity to provide comment on the Exposure Draft: Incorporated Societies Bill. We have previously provided comment on the Law Commission Paper 24 *Review of the Incorporated Societies Act 1908*. This submission is aligned with our prior response, though in this submission we focus on two clauses in the Bill.

### About us

New Zealand Kindergartens Incorporated (NZK) *Te Pūtahi Kura Puhou o Aotearoa* is the national organisation for twenty-five regional kindergarten associations covering 445 kindergartens and early childhood education services.

NZK and member associations are incorporated societies and registered with the Charities Commission. Kindergarten associations are community-based, not-for-profit services providing quality early childhood education to children nationwide.

### General feedback

Overall, NZK and member associations welcome the clarity the Bill would bring to operating an incorporated society in the 21<sup>st</sup> century. In our view the Bill comprehensively addresses the gaps in the current Act, allowing members of societies greater confidence in their dealings as members.

We recognise the Bill needs to suit a range of incorporated societies, many of which are run solely by volunteers. Kindergarten associations (societies) have a mix of volunteers and paid employees, which brings a different perspective.

We have concerns about two clauses, detailed below.

### Clause 43(3)(a)

This clause states the society's contact officer must be a member of the society's board (or committee). Our member associations employ general managers / chief executives who act as

the official contact person but are not members of our associations or their boards – they are ex-officio board members. From our perspective it would make more sense if the clause allowed the contact officer to be a member of the board or an employee of the society nominated by the board.

#### **Clause 145**

We are concerned about a provision for transfer of membership after an amalgamation of societies. In *Request for Submissions* (November 2015) it states that clause 145 provides 20 working days for a member to opt out after an amalgamation. The inclusion of this provision is not actually obvious to us in our reading of clause 145.

However, the ability to opt out of majority decisions is concerning because it undermines democratic processes in societies' constitutions. Where a decision made by the members of the society is voted on and passed by the majority that decision should stand as being a democratic decision on behalf of that society. To then allow those who may not have agreed with the vote to opt out not only runs counter to the democratic process but also could potentially undermine the society itself.

It is also unnecessary when members are able to end their membership at any time.

#### **Recommendations for changes to the exposure draft of the Incorporated Societies Bill**

NZK recommends:

- the society's contact officer is either a board member or an employee of the society nominated by the board
- the provision for societies to allow their members to opt after amalgamation is not included in the next draft.

Thank you for the opportunity to comment.

**Withheld**

Clare Wells  
**Chief Executive**