

Submission - Incorporated Societies Bill

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

From: Barbara Bridger, Chief Executive
Otago Community Trust PO Box 5751 Dunedin 9058
www.oct.org.nz

About Otago Community Trust

Otago Community Trust 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 the Otago Community Trust, a Philanthropic Trust with assets of more than \$270m has assisted many incorporated societies within the Otago region.

Our mission is to support, encourage & enhance Otago communities by responsibly managing and wisely sharing the resources which have been entrusted to us.

General Position

Otago Community Trust 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.

Otago Community Trust 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. We are also in favour of their being some correlation of requirements across both Charities and Incorporated Societies as we believe it is important for incorporated societies to operate within sound governance structures with robust processes and quality governance leadership.

We do however have the following concerns namely:

- a) The ability of resource scarce community organisations to manage compliance under the proposed new requirements.
- b) The ability of Incorporated Societies to attract quality unpaid Officers, 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.

Recommendation

MBIE develop a significant 'transition resource kit' for incorporated societies which is supported by regionalised training workshops, in effect 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 greater Otago region.