

# TSB COMMUNITY TRUST

28 June 2016

**Email submission to [societies@mbie.govt.nz](mailto:societies@mbie.govt.nz).**  
Ministry for Business, Innovation and Employment  
WELLINGTON

Dear Sir or Madam

## **Submission on the Incorporated Societies Bill Exposure Draft**

TSB Community Trust wishes to make a submission on the Incorporated Societies Bill Exposure Draft. The authority to make this submission was approved at the Trust's 15 June 2016 meeting and this submission is being made by the Chief Executive on behalf of the Trust.

### 1 TSB Community Trust

TSB Community Trust was established in 1988 as the sole shareholder of TSB Bank Ltd.

TSB Community Trust's strategic vision is "To be a champion of positive opportunities and an agent of beneficial change for Taranaki and its people, now and in the future. With a focus on Child and Youth Wellbeing".

In 2015, the Trust established TSB Group, as the owner of TSB Bank Ltd, as well as two further companies; TSB Group Capital Ltd and TSB Group Investments Ltd.

The Trust aims to be an active and responsible asset owner, adopting investment strategies to sustain and grow our assets for our people today and future generations.

Each year the Trust receives a dividend from its assets that it may apply towards supporting charitable, cultural, philanthropic, recreational and other purposes beneficial to the community within the Trust's specified area.

The Trust is committed to helping our communities achieve their goals, through a proactive, evidence based approach, investing in people and communities and facilitating opportunities for positive change.

Since the Trust was established it has donated over \$100million to community organisations and projects within its legislative boundaries.

The Trust offers a range of grants to eligible community organisations and individuals, and works collaboratively towards improving outcomes and social impact within Taranaki.

As a funder, our interest is in having well-governed and effective organisations. We recognise that great work in the community requires strong and viable organisations.

As a result the Trust funds capability building in community organisations as well as the operational infrastructure of groups. We work alongside organisations to improve their capacity and sustainability. We believe it is important for incorporated societies to operate within sound governance structures and robust processes and quality governance leadership. We support the establishment of minimum standards or requirements across a range of organisations to support good governance; however this should not be carried out in such a way as to result in an over-burdening of the smaller or under-resourced groups.

TSB Community Trust is a member of the Combined Community Trusts of New Zealand and Philanthropy New Zealand (PNZ).

## 2 TSB Community Trust's comments on the Exposure Draft

TSB Community Trust notes that the Exposure Draft explains the five main characteristics of an incorporated society, sets out the duties of officers, procedures for resolving conflicts, and brings up to date the financial reporting requirements.

We agree with the Ministry's statement that "...the most important additions are:

- Clauses 48-55 relating to officers' duties – Officers of incorporated societies already have duties under the common law. Clauses 48-55 are aimed at being clear about what those duties are and to whom they are owed.
- Clauses 56-65 relating to conflicts of interest – There is nothing about conflicts of interest in the 1908 Act. The purpose of these provisions is to define a conflict of interest, and make it clear what an officer needs to do if his or her duties of loyalty to the society come into conflict with a competing personal interest.
- Clauses 31-32 and Schedule 2 relating to dispute resolution – Whether they realise it or not, all societies already have obligations under the common law to resolve, or participate in the resolution of disputes or grievances that may arise within their society. The main aim with Schedule 2 is to provide a set of simple rules for resolving disputes fairly."

Although TSB Community Trust is generally in support of the proposed new Act, we continue to be mindful of the increasing burden of compliance placed on the non-profit sector though a number of recent changes in legislation. This adds to the 'cost of accountability' for a sector which contributes much to New Zealand society, yet is often under-valued and under-resourced.

Thank you for the opportunity to make these comments. TSB Community Trust understands that MBIE intends to publish all submissions on its website, other than submissions that may be defamatory, and we confirm that we have no objection to the release of any information contained in our submission.

Please contact me if you wish to discuss any matter raised in this email submission.

Withheld