

INCORPORATED SOCIETIES Bill – Exposure Draft

20 April 2016

Turoa Alpine Ski Club Inc (TASCI) is a small, not for profit Incorporated Society based in Ohakune and in various guises has been in existence for almost a hundred years. We provide children and adults in the Waimarino area with basic ski, snowboard and mountain awareness training. This training is heavily subsidised by TASCI and our sponsors, providing a comprehensive package at very low cost to the local parents and their children.

The focus of the programme is not only to introduce these children to a great sport but to equip them to later take up employment in the winter sports industry. You will be aware that employment opportunities in the Waimarino are limited and that experience gained locally can open doors to employment in similar industries overseas, where the seasons are opposite ours.

The TASCI has recently reviewed the exposure draft of the Bill to replace Incorporated Societies Act. TASCI believes that if these recommendations are enacted the compliance costs for us, and all other small societies, will be significantly increased. This will reduce the subsidy we are able to provide to the children's training programme; with the risk that increased costs will move the training programme and hence skiing, out of reach of many Waimarino people.

TASCI currently enjoys Tax Exempt status and our Rules have been modified to comply with the requirements of the Inland Revenue Department.

The enhanced financial reporting requirements may be nice to have but would add little to the operation of the Club and would of course be a further compliance cost that would have to be financed off the backs of the members.

The central north island like many rural areas is economically depressed and the many of these children would not have the opportunity to learn to ski without the Sunday Club and the financial support it receives from TASCI.

We envisage that as a consequence of these recommended new requirements that many small societies will cease to exist and that the communities they serve will be the losers.

In the event that the current Act is replaced we believe that a two tier system should be adopted and that small societies of say under one hundred members and / or with an income of under two hundred thousand dollars should be exempted all but the current basic requirements of Incorporation.

TASCI only seeks to minimise our compliance costs and maximise our subsidy to the children's training programme.

Small Incorporated Societies are the backbone of many rural communities, these communities have been savaged by the economic reforms of the last thirty years and now they are going to be dealt a further blow by this overbearing legislation that will weaken their social infrastructure.

We understand that one of the objectives of the National Government is to reduce Red Tape and Compliance Costs for New Zealand businesses. We believe that this sensible policy should also apply to not for profit Incorporated Societies, where people are freely giving their time and energy to achieve a benefit to the wider community.

We hope that this submission is of assistance to MBIE and that a more user friendly Incorporated Societies Act results.

For and on behalf of Turoa Alpine Ski Club Incorporated

Richard Darlow..

Withheld

Withheld

From: Richard Darlow Withheld
Sent: Tuesday, 26 April 2016 9:56 p.m.
To: Societies
Subject: RE: 20160420 TASCI SUBMISSION [UNCLASSIFIED]

Hi Withhe

Supplementary Submission on Exposure Draft.

My concern is that the Bill may be appropriate to large societies but its requirements will cripple very many small sporting clubs who currently have difficulty attracting officers and committee members.

It is in my opinion the Exposure Draft is overly prescriptive and will impose addition costs, both for initial compliance and on-going operating costs.

These additional costs will reduce the subsidy our club is able to provide towards the children's ski training programme and may drive some other small clubs out of business.

The Model Constitution looked like a good idea and much less expensive for small organisations to adapt to their needs ensuring that all requirements are included and that registration is achieved first time.

The new Rules will have to pass through our ratification procedure and then be registered again, this process will cost us money both for drafting and no doubt there will be a registration fee.

The requirement to file financial and operational reports online will only be acceptable if a greatly simplified format is adopted. The requirements to use registered financial accountants and auditors should be withdrawn for small clubs.

The very legalistic Complaints, Grievance and Enforcement procedures, are not appropriate for a small society like ours. A single court case would destroy the Club, perhaps the Registrar could set up a low cost disputes committee.

We suggest that Societies below a certain size should be exempted from the more onerous requirements of the new Act and that they allowed to carry on much as they do at present.

Best regards

Richard Darlow..

Withheld

From: Withheld **On Behalf Of** Societies
Sent: Friday, 22 April 2016 11:35 a.m.
To: Richard Darlow
Cc: Societies
Subject: RE: 20160420 TASCI SUBMISSION [UNCLASSIFIED]

Dear Richard

Thank you for your submission.

I would appreciate it if you could clarify whether TASCI's concerns relate solely to financial reporting under clause 83 of the exposure draft of the Bill or whether there are other specific matters that you wish to draw our attention to.

Regards

Geoff Connor

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From: Richard Darlow [<mailto:richard@darlow.co.nz>]
Sent: Thursday, 21 April 2016 11:48 a.m.
To: Societies
Subject: 20160420 TASCI SUBMISSION

Attached find submission from Turoa Alpine Ski Club Incorporated regarding the Exposure Draft of the Incorporated Societies Bill.
Kindly acknowledge receipt of this submission.

Best regards

Richard Darlow..

021 441 552

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