

21 October, 2011

Law Commission  
P O Box 2590  
Wellington 6011

**Re: Reforming the Incorporated Societies Act 1908**

Thank you for this opportunity to provide the views of ECANZ and its members on the above. Details of ECANZ are contained at the end of this submission.

**General Comment:**

ECANZ is unaware of any issues pertaining to the current Act that would require any or significant changes. As an Incorporated Society ECANZ can operate within the current Act and sees no reason to change the Act as it stands.

The premise of an Incorporated Society is that it gives the ability of like minded people to work together within a sound framework but without imposing additional regulatory requirements that can have a negative impact upon them as individuals.

Many Societies are run by volunteers and do not have large budgets, therefore the negative impacts of a more regulatory Act would lead to more time and money being spent upon compliance.

In our experience as an organisation we have evolved naturally. We do not require a new statute; we can mature because we have the ability to do so. As an organisation we seek to be more professional and better serve our members who are our governors, they determine our pace of change and how those changes will be instituted. By

introducing a new statute much of this freedom will be spent upon making sure compliance is met, not upon the reasons for existence of the group.

ECANZ wish to comment specifically upon the following

Question 11. As a membership based organisation prospective members apply to join and accept the rules of the Association. They can at any time withdraw their membership and the Association can remove from them membership if they do not adhere to the rules. It is simple and does not complication, nor additional compliance costs.

Putting in a requirement for formal procedures around discipline and resolving disputes is not necessary, rules accepted upon joining cover these issues or if not them members can amend or update their rules to suit. Formality as per the Australian examples, along the lines of an employment relationship, suggests an additional process and compliance cost that is unnecessary in our view.

Question 13. ECANZ see no reason to change. If five were the minimum nearly everyone would be an officer.

Question 16. Unequivocal No.

Question 17. ECANZ experience under the existing rules clearly enable s the members to amend the rules if the majority wishes to do so. Within the existing structure any changes have to be circulated and members given time to consider and vote upon them. ECANZ see no reason to have an outside body involved.

Question 18-23. ECANZ is an Incorporated Society, it is not a company and does not wish to have the company act obligations altered or not introduced.

Question 24. This appears way over the top; members should declare a possible conflict of interest and if not acceptable withdraw from the meeting or the Society. It would be incumbent upon other members to raise the issue if they thought the possibility of such a conflict existed.

Question 25-27 An Incorporated Society of like minded individuals is capable of achieving much of what is asked by these questions without the necessity to complicate matters and create a more litigious system.

Question 28 No problem identified therefore leave as is.

Question 29 An incorporated society is already taken to be authorised by law to run its affairs as though it were an individual person. This means that the members are not personally liable for the society's debts, contracts or other obligations, so no need to change.

Question 31-33 Once again Societies should be left to solve their issues within their existing rules and not require outside regulation. ECANZ is unaware of a large number of problems of this sort.

Question 37 ECANZ has and believes Branch Societies should exist as they are an integral part of our Association.

Question 38-40 The provisions within our rules around dissolution or liquidation are very sound and clear and protect members. These rules are specifically exempted from normal rule change procedures.

Question 41-44 Simply there is in our view no need to change what currently works for our Association. Meddling will only cause existing Societies to be harder to manage and may indeed cause some to “go underground”.

**Summary**

In closing we thank the Committee for its attention to this submission and strongly recommend that very careful consideration be given to this proposed reform that will particularly penalise small to medium societies. ECANZ believes that the current Act is suitable and that it appears a solution for a non-existent problem is being promoted.

**Neville Simpson**  
**Chief Executive**  
**ECANZ**

**Electrical Contractors Association of New Zealand (ECANZ)**

ECANZ has a membership of 1,405 electrical contractors who employ 7,000 people including some 1,300 apprentices. These businesses represent a combined sales turnover of \$700million and ECANZ is the only organisation representing this sector. The demographics of membership are New Zealand wide with business entities from “one man bands” to companies employing 200 people. The average size business is three to four people, therefore we represent small business New Zealand and simply put small business is NZ’s largest employer. ECANZ is an Incorporated Society and as an Association has ten branches who are also incorporated.