



COVERSHEET

Minister	Hon Scott Simpson	Portfolio	Commerce and Consumer Affairs
Title of Cabinet paper	Treatment of Residents' Associations under the Incorporated Societies Act	Date to be published	10 November 2025

List of documents that have been proactively released

Date	Title	Author
October 2025	Treatment of Residents' Associations under the Incorporated Societies Act	Office of the Minister of Commerce and Consumer Affairs
8 October 2025	Treatment of Residents' Associations under the Incorporated Societies Act ECO-25-MIN-0157 Minute	Cabinet Office

Information redacted

YES

Any information redacted in this document is redacted in accordance with MBIE's policy on Proactive Release and is labelled with the reason for redaction. This may include information that would be redacted if this information was requested under Official Information Act 1982. Where this is the case, the reasons for withholding information are listed below. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Some information has been withheld for the reason of Confidential advice to Government.



Cabinet Economic Policy Committee

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Treatment of Residents' Associations under the Incorporated Societies Act

Portfolio **Commerce and Consumer Affairs**

On 8 October 2025, the Cabinet Economic Policy Committee:

- 1 **noted** that existing incorporated societies must re-register under the Incorporated Societies Act 2022 (the Act) by 5 April 2026;
- 2 **noted** that under the Act, incorporated societies are prohibited from distributing surplus assets to members when they wind up;
- 3 **noted** that the above prohibition is an issue for residents' associations that own common property on behalf of residents in a residential development and that are seeking to re-register under the Act;
- 4 **agreed** to make use of the regulation-making power in section 256 of the Act to suspend those sections of the Act relating to the prohibition on the distribution of surplus assets for an extended transition period up to 5 October 2028;
- 5 **agreed** that residents' associations that wish to make use of the above extended transition period have to notify the Registrar of Incorporated Societies;
- 6 **noted** that the Minister of Commerce and Consumer Affairs (the Minister) is satisfied that the statutory prerequisites for making regulations under section 256 are met;
- 7 **invited** the Minister to issue drafting instructions to the Parliamentary Counsel Office to give effect to the decisions at paragraphs 4 and 5 above;
- 8 **authorised** the Minister to approve the release of an exposure draft of the Incorporated Societies Regulations, if there is time in the drafting process to do so;
- 9 **authorised** the Minister to make decisions consistent with the overall policy decisions in the paper under ECO-25-SUB-0157 on any matters that might arise during the drafting process or as a result of consultation on an exposure draft of the regulations.

Rachel Clarke
Committee Secretary

Present: (see over)

Present:

Hon David Seymour
Rt Hon Winston Peters
Hon Nicola Willis
Hon Brooke van Velden
Hon Simeon Brown
Hon Erica Stanford
Hon Paul Goldsmith
Hon Louise Upston
Hon Dr Shane Reti
Hon Tama Potaka
Hon Simon Watts
Hon Penny Simmonds
Hon Andrew Hoggard
Hon Nicola Grigg
Hon Mark Patterson
Hon James Meager
Hon Scott Simpson
Simon Court MP

Officials present from:

Office of Hon Scott Simpson
Officials Committee for ECO