

25<sup>th</sup> June 2016

## SUBMISSION ON INCORPORATED SOCIETIES BILL

The Royal Society of New Zealand, Wellington Branch has a long history. It is probably the oldest scientific society in the country. It is an incorporated society and a registered charity.

Founded in July 1851 as the New Zealand Society, reconstituted November 1867 and renamed the Wellington Philosophical Society; Incorporated in 1868 with the New Zealand Institute Act 1867; Renamed in 1938 as the Wellington Branch of the Royal Society of New Zealand; Incorporated in 1939 as the Wellington Branch of the Royal Society of New Zealand Incorporated; The Society changed its name in 1995 to Science Wellington Incorporated and then changed in 2001 to Royal Society of New Zealand Wellington Branch Incorporated.

The Branch was registered in 2009 as a Charitable Entity with the Charities Commission (registration number CC42176). The Branch is a Regional Constituent Organisation of the Royal Society of New Zealand under the Royal Society of New Zealand Act 1997.

The objectives of the Branch are “the promotion and advancement of science, technology and the humanities in the Wellington Region.”

There are a number of sections in the proposed bill that we wish to comment on.

### **A general comment:**

Under the current constitution the Branch has the ability to form “Sections”. We had a number of specialist sections in the past, such as Biology and Astronomy - but currently do not. However, we would like to reserve the ability to do so, and it is not clear in the Bill that that will be the case; indeed the current Bill is silent on the whole issue of Subcommittees:

The functioning of sections is best explained by the following excerpt from our current constitution:

#### SECTIONS

35. Subject to the consent of the Branch Council, members, not fewer than ten in number, may form a Section for the development of any special branch of knowledge in conformity with the object of the Branch. Each Section shall elect a Chairperson and such other officers and committee members as it may deem fit.
36. Section activities shall be available to all members of the Branch but any Committee may maintain a list of members particularly interested in its activities.

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37. Each Section may, if necessary, frame regulations for its own guidance not in conflict with or repugnant to the bylaws of the Branch.
38. The portion of the expenditure of each Section provided out of the ordinary funds of the Branch shall be subject to prior approval by the Branch Council in the Section's annual budget.
39. Each Section may, subject to the approval of the Branch Council, own property and raise and hold special funds for its own purposes but no Branch member shall be required to pay any additional fee except for Section newsletters, expeditions and the like. The Branch Council may require that the accounts of any Section be audited annually by the Auditor/Financial Reviewer of the Branch. All expenditure from Section funds must be approved by resolution of the Committee of the Section and all disposal of property must be approved by the Branch Council. No portion of the funds of the Section shall be paid or transferred directly or indirectly by way of bonus or dividend to members of the Section. Members may however be reimbursed for approved expenditure. In the event of a winding-up of the Section or such Section ceasing to operate, all its property and funds shall be incorporated into the assets of the Branch

#### **Comments on specific parts of the Draft Bill:**

##### **Qualifications of Officers**

It is unclear to us how we would know whether a person nominated and seconded and voted into office at an AGM met, or did not meet all of the requirements of Part 3 clause 39 subsection 2. The standard is very difficult for a small society to check – especially as it also includes offences occurring in “a country other than New Zealand”. We could attempt to use a Statutory Declaration, but since the offences listed are for dishonesty, the value of that is somewhat moot.

As the acts of the “not qualified” person are still valid under Part 3, clause 42, it is difficult to see what the point of this clause is.

We would argue that, since council members are nominated and elected at an AGM and the financial and other activities of the Society are subject to vote by majority of the Committee, the presence on council of members with undeclared convictions for dishonesty is irrelevant and, should such information come to light, is manageable within the existing council structure.

##### **Appeals**

Appeals from decisions of the Registrar have to go to the High Court within 15 days. This is simply unworkable for small societies. We could not mount a court challenge in 15 days – we need to give members 2 weeks notice of a special general meeting, hold the meeting, decide to proceed and then brief a solicitor and lodge an appeal.

In any event, we simply could not afford to mount any court challenge, and doubt that the majority of societies would be in a position to do so.

We would recommend a simpler and lower level appeal process before going to the High Court.

##### **Court Orders**

It is also of concern to us (as a small society with limited assets) that under Part 4 Clause 97 a member or former member may take the society or its officers to Court over a complaint or grievance without reference to any dispute resolution process in the Societies Constitution.

Most societies simply do not have the resources to engage a lawyer or barister - That suggests that a vexatious litigant could quickly bankrupt and destroy any small Society with which they had a disagreement, even if it were of a trivial nature. Not only that, a simple threat to take the society to court could be used as a blackmail to achieve a desired outcome.

It would be better if the complaints procedure were to be followed, followed by an appeal to the Registrar who may or may not grant approval to go to Court.

Withheld