



We would like to extend a warm thank you to all those who completed our HR survey that was recently distributed. We received a great number of valuable responses and appreciate the time taken. The results will be published in our September newsletter.

We would also like to congratulate Sandra Kirby from Arthritis New Zealand on being our winner. Sandra has won complimentary attendance at our HR Conference, to be held in 2012.

Please do not hesitate to contact us if you have any further feedback on HR related issues.

Kind regards
The NZARC Team

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Charities Commission role debate continues....

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Borne out of a perceived need for an independent body to support charities, the Charities Commission was founded in 2005. The basic requirement was a commission to 'promote public trust and confidence in the charitable sector' - as recently pointed out by Dave Henderson of ANGOA, the Association of Non-governmental Organisations of Aotearoa.

Prior to this, the IRD would decide if an organisation had donee status, giving advice around how this may apply to the charity.

Now the process is:

- The Trust deed is written and then incorporated
- The Registrar of Charitable Trusts in the Ministry of Economic development will incorporate the trust based on the trust deed that has been submitted
- Application is made to the Charities Commission for registration
- IRD has the final say around tax status

The Charities Commission at this stage can challenge the applicant after the trust is incorporated and therefore override the Registrar. We question if this is an acceptable process. For smaller charities looking apply for charitable status, it can sometime be quite an arduous process. Just as an overview:

- The assessment and approval process can take between 6-8 weeks.

- If the applying charity is 'knocked back' then the response process can be a time consuming and costly matter
- If final resort is through the high court, cost is a prohibitive factor for most

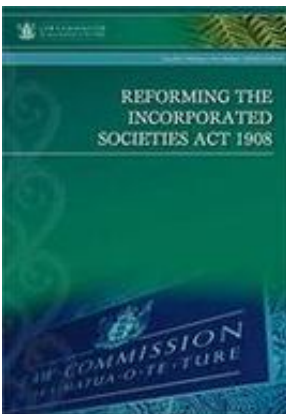
There has been some concern and recent high profile cases around certain charities being deregistered. This highlights one of the current roles of the Commission, which is to monitor the activity of charities and carry out whatever action is required as a result. The Charities Commission has 'copped a lot of flack' for this, but let's face it – it's a dirty job, and someone's got to take responsibility for it.

So then, how does the independent nature of the Commission remain so if it is absorbed into Internal Affairs? Will it solve some of the issues that are being experienced currently? We see merit in change, and look with interest to see how this change is managed.

To read the full article by Dave Henderson click [HERE](#)

Incorporated Societies Act review – have your say with us!

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The move to 'overhaul' the Incorporated Societies Act of 1908 provides an ideal opportunity for feedback around what improvements could be made.

While it can be argued that the present Act (in spite of its simplicity by modern standards) has stood the test of time, we perceive there is a growing need to bring it more into line with other corporate legislation. The volunteer governed non-profit sector is no longer immune from the complexities of contemporary commercial practice.

There are many challenges we face today that simply weren't a factor over 100 years ago. It is arguable whether its compliance regime should be brought more into line with the Companies Act considering the prominence of craft, industry, trade and professional interests represented by incorporated societies.

As we experienced in putting forward a multitude of ideas and recommendations to the legislature, we are inviting input from those associations wishing to submit collectively, We believe this will achieve greater substance in terms of shared experiences and practical examples.

Matters that come to mind for the current Act are:

- its failure to deal with internal issues like conflicts between members and the executive,
- disputes between members and the association and power struggles at governance level.
- the lack of provision to invoke the Registrar's authority in resolving acrimonious relationships without recourse to the Courts

We have prepared a more explicit discussion paper on this subject headed "New Rules for Incorporated Societies?", which we would be happy to forward to you. If you could please email Carene at info@associations.org.nz for a copy. We also have a guide that we can forward to you if you are happy to contribute to the joint

submission we will be making.

If you would like to make a submission yourself the link to the documentation is as follows:

http://www.lawcom.govt.nz/project/review-incorporated-societies-act-1908?quicktabs_23=issues_paper#node-2091

Are you finding it hard to attract younger members?

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We are getting a lot of feedback that many association and charities are finding it harder to attract the interest of Gen X and Gen Y. It seems that everyone has his or her own theory or scenario about why the upcoming generations are less inclined to join up or be active participants in common pursuits.

The downstream effect is that it is equally difficult to field a good executive team of inspired and capable individuals, ideally with good connections and plenty of spare time. For the more middle-of-the-road sized non-profit, it is really hard to attract people 'behind the head table' who are leading lights in their respective occupations, professions and industries. This inevitably places a greater responsibility on any paid chief executives and managers to become both the de facto head and virtual glue - with the accompanying blame if matters take a turn for the worse.

The question is: What can you do about this?

Many associations and trusts are hamstrung by the rules and guidelines in their founding documents. Before embarking on any new initiatives, there is a need to review the objects clauses in their constitution and / or trust deed. Is the trust deed or constitution in tune with a potential new membership profile – is it relevant to both existing and prospective new members? We recognise the complexities of satisfying an existing membership who may be quite happy with the status quo. However, the status quo may be the exact obstacle to attracting a younger and more invigorated membership with different needs and ways of communicating.

If you have any doubts about the relevance of the terms of your constitution with the current challenges of today's environment, we may be able to help you. We can talk with you about your particular situation and advise you about what you can do for your association or trust to become more attractive to a younger prospective membership or constituency. Please contact Rosemary Mahoney on 09 4190042 for assistance.

Is there room for a Third Sector Roundtable?

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We pose the questions of whether there is a local requirement for a Third Sector Roundtable. We are suggesting a new amalgam, at a high and therefore influential level, with the purpose of attracting movers and shakers in our industry who collectively can make a meaningful difference in advancing our interests and public perception.

New Zealand is lacking a credible representative body like the Australian Association Forum and Not-for-Profit Network. This idea

was suggested by a notable charity chairman in a recent issue of Management magazine. He promoted setting up of a body of leading volunteer leaders, not unlike the New Zealand Business Roundtable, to serve as a think tank and ideas generator for both strands of non-profit association and charity interests. There are at present two organisations set up to serve association executive and charity trustees, but neither can lay claim to being singularly successful in establishing a representative membership base.

One of our trustees attended the recent Australian Association Forum annual conference in Brisbane, which attracted 460 participants. This is an extension of previous conversations we have had with our Australian colleagues as we work together to align more closely. We anticipate that this will enable us to provide you with a way to access a range of facilities and services with international connections. We would welcome enquiries for further information on these subjects.

From the floor:

Consider the following scenario posed by one of our subscribers:

- 80% membership from the available sector
- Large and rapidly growing associate membership (suppliers and others related to the industry sector)
- Currently holding a very successful conference
- Successful topic-specific seminars
- Good take up of sponsorship opportunities
- Paid advertising for self-generated newsletters and magazines

I am sure that I have a significant proportion of the readership saying – ‘how can I get me some of that!’.

What we find very encouraging is that the manager of this particular entity is not happy to sit on his/her laurels. Rather they are asking – how can I make this even better? So, I have agreed to put it out to our subscribers to feed back to us if you would be so kind:

- What other revenue-generating avenues are there
- How to cut costs without cutting services

Your feedback is greatly appreciated. We can also publish your response without reference – so come on, forward your suggestions and we can get a consolidated approach to helping make your associations and charities more effective and efficient. Send your responses to rosemary@associations.org.nz

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