



YACHTING NEW ZEALAND WEBINAR

INCORPORATED SOCIETIES
ACT CHANGES AND
CONSTITUTION UPDATE

INTEGRITY SPORT
AND RECREATION
COMMISSION UPDATE



Yachting New Zealand

INCORPORATED SOCIETIES ACT & CLUB CONSTITUTION

- Run through changes to Incorporated Societies Act 2022
- Timeline
- Tools
- What clubs need to do

INTEGRITY SPORT AND RECREATION COMMISSION UPDATE

- Integrity code
- Disputes resolution



A RECAP ON THE LEGISLATIVE CHANGES

The 2022 Act keeps the best of the 1908 legislation while modernising the laws and the way clubs need to operate.

Incorporated Societies Act impacting 100 NSOs, 600+ RSOs, and 6,000+ clubs.

New Act intends to make governance functions more robust by aligning director duties more closely with those in the Companies Act.

This change is an opportunity to comply with the new Act and overhaul out-of-date, unfit-for-purpose constitutions.

Sport NZ recommends phased re-registration - starting with national body, then regions and then clubs. YNZ's new constitution registered in October 2023.

KEY CHANGES

- Minimum number of members required for an incorporated society/club is reduced from **15 to 10**.
- **Consent** of each **new** member of the club needs to be collected at the time of joining (e.g. membership form) <https://is-register.companiesoffice.govt.nz/law-changes-for-societies/whats-changing-for-members/#members-consent>
- Each club must appoint at least one **contact person** to be contactable by the Registrar.
- There must be at least 3 Officers on the club committee/board
- Officers have **new duties**, which include:
 - acting in good faith and in the best interests of the club,
 - complying with the 2022 Act and the constitution,
 - exercising the care and diligence that a reasonable person would exercise in the circumstances.
- Officers on the club's committee/board must be **members** of the club and all officers must not be disqualified from being an officer.

KEY CHANGES (CONT'D)

- **Dispute resolution processes must be included in the club's constitution and the processes must be consistent with the rules of natural justice.**
- **New rules define when an Officer has a conflict of interest and a duty to disclose conflicts.**
- **Clubs provide insurance and indemnify officers and employees.**
- **Winding up - Surplus assets must be given to an identified not-for-profit organisation or class of organisation that is identified in your constitution.**

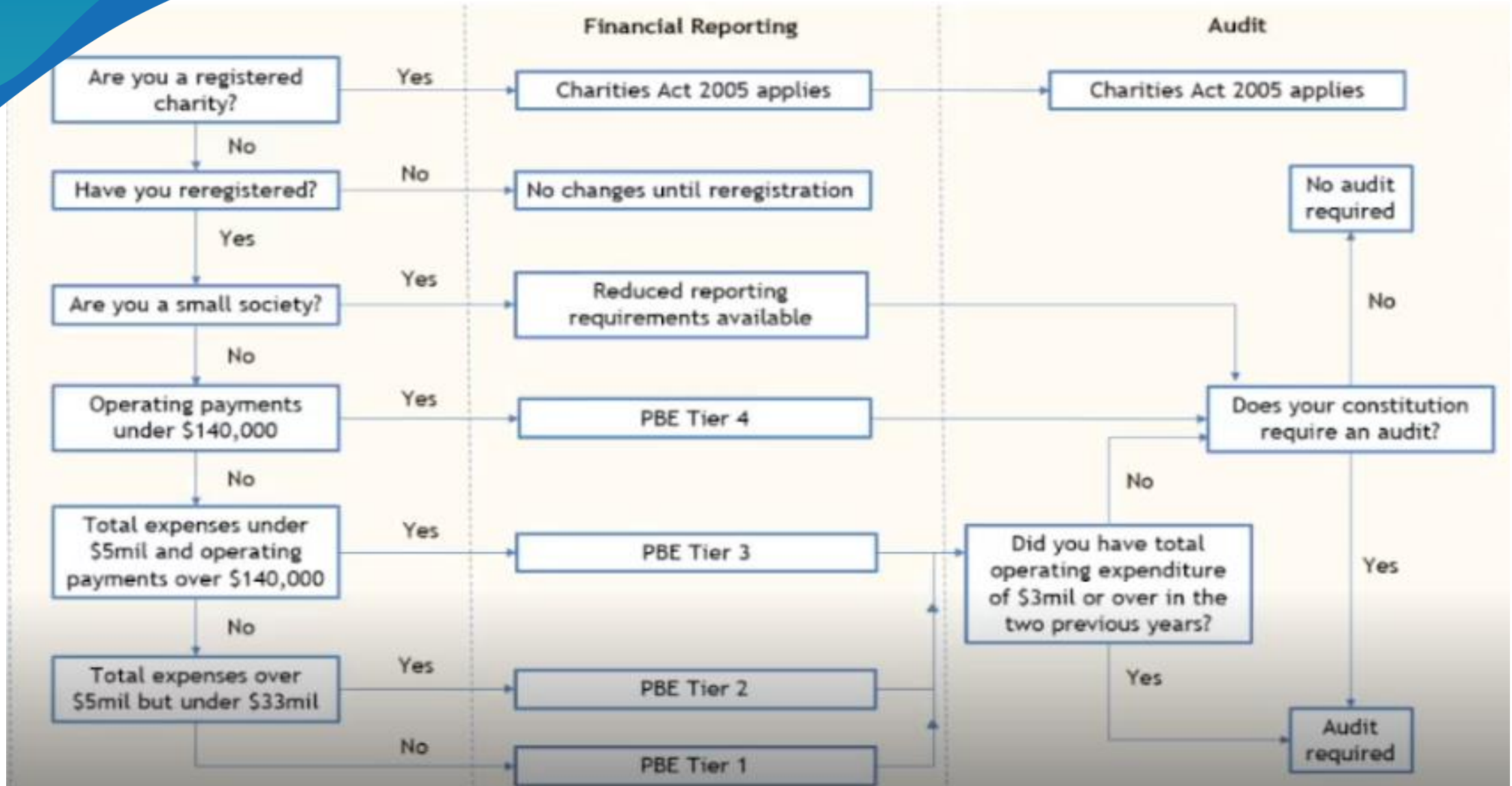
FINANCIAL REPORTING

Reporting requirements are relative to your club's total expenses over the last two financial years.

More information available on External Reporting Board website here: <https://www.xrb.govt.nz/standards/accounting-standards/not-for-profit-standards/tier-1-and-2>



REPORTING (CONT'D)



TRANSITION WINDOW TIMELINE

- Registration is now live.
- New act passed into law 6 April 2022.
- Clubs/societies have until 31 March 2026 to lodge their re-registration application.
- If you fail to re-register between October '23 and 1 April '26, you cease to be incorporated and will be removed from the register.
- Clubs have 21 months left to re-register – two AGMs.

AVAILABLE TOOLS

Sport New Zealand website

<https://sportnz.org.nz/resources/incorporated-societies-act-2022-and-regulations/>

- Sport-specific constitution templates available
- FAQs
- Compliance checklist

Incorporated Societies website

<https://is-register.companiesoffice.govt.nz/>

- Templates/Constitution builder tool
- Your society must decide what to do
- Things to do before you apply

Yachting New Zealand constitution

<https://www.yachtingnz.org.nz/resources/ynz-constitution>

- **This is your chance to future proof your club.**
- **Some clubs are modifying existing constitutions.**
- **Some starting afresh adapting the various templates to suit.**

Sport-specific constitution templates available for clubs could:

- **Save volunteer time and compliance costs;**
- **Ensure proper linkage between YNZ constitution (e.g. definitions) and policies with its members' constitutions;**
- **Align disputes resolution process.**

WHAT DO CLUBS NEED TO DO?

- Establish who will lead this work - we suggest you appoint one person to lead and co-opt others to help.
 - Map out your club timeline - AGM dates, re-registration deadline etc.
 - Advice is to consult widely with members and present to an AGM for approval.
- What does your constitution say re % of membership required for constitutional change.
 - What are the minimal constitutional changes that are needed or required to become compliant with ISA 2022 - or should the club be doing more to future proof your club?



INTEGRITY SPORT AND RECREATION COMMISSION OF NEW ZEALAND

The new Integrity Sport and Recreation Commission of New Zealand will commence operation on July 1, 2024.

The Commission will support organisations to deliver sport and recreation in a safe and fair way in Aotearoa, and help protect participants from discrimination, harm and other threats to integrity. The entity will have wide-ranging responsibilities and powers.

Make sure you are aware of the work of the Commission and the role it will play supporting safety and fairness in sport and active recreation by signing up to regular updates.

Ensure you receive important announcements from the new Integrity Sport and Recreation Commission of New Zealand - <https://www.integritytransition.org.nz/subscribe/>

CODE OF INTEGRITY FOR SPORT AND RECREATION (INTEGRITY CODE)

- **The new commission is implementing the Integrity Code (the Code) which will be one of the key tools for the sector to enhance integrity in sport and recreation.**
- **The new code is seen as best practice.**
- **Implementing the Code will be an opportunity for clubs to help protect participants from harm and reduce the risk of serious integrity issues occurring.**

- **Adoption of the Code by an NSO is voluntary - but if the NSO adopts the Integrity Code, its provisions become binding not only on the NSO but also all its members.**
- **The YNZ board will consult with clubs on the adoption of the Code.**

TIMELINE

On June 20, Sport NZ will provide the following info:

- The Integrity Commission's **purpose** and legislative role.
 - Key **people**.
 - Its various **functions** and how they can be accessed.
- Commission **processes** – what happens when there is a complaint or investigation.
 - **Timeline** and adoption.
 - **Education materials** etc.

DISPUTES RESOLUTION – FOR NOW

New Integrity Code and processes are not yet in place.

YNZ re-registered with the Companies Office with our new constitution last year. We will update the current disputes resolution process in our constitution if we (all) decide to follow the new Integrity Code and processes.

Your club can do this, too.

Our guidance is that it is acceptable to include provisions in the constitution that refer to other procedures that sit elsewhere including how and where members can access these procedures.

A dispute resolution process must:

- **be included in your constitution,**
- **consistent with the rules of natural justice,**
- **and cover disputes between and among your members, officers and others.**



DISPUTES RESOLUTION TEMPLATES

Incorporated Societies resources on Companies Office website template:

<https://is-register.companiesoffice.govt.nz/law-changes-for-societies/dispute-resolution-procedures/>

The Sport NZ templates:

<https://sportnz.org.nz/resources/incorporated-societies-act-2022-and-regulations/>





Where to from here?

For the rest of 2024:

- Get a leader and a team to focus on what your club needs to do to comply with the new Incorporated Societies Act 2022.
- Use the Sport NZ/YNZ/Companies Office support resources.
- Consult with your club members.
- Once you have a draft constitution, we suggest having it reviewed by a lawyer.

We recommend you:

- Aim to get your constitution drafted by mid-2025 depending on timing of your AGMs.
- Apply for re-registration well before April 2026.