# Frequently Asked Questions



**Incorporated Societies Act** 

#### **CHANGES AND SUPPORT**

#### What do we need to do now as a national organisation?

Your Board should identify a board member to lead this work (this should not be delegated to your CEO or management team).

Our phased approach (starting at the national level) requires national partners to read and reflect on their current constitution, start getting ready for change, and share your thinking, approach and timeline with your Regional organisation and/or Clubs.

We expect to share a national level template in mid-October, alongside a checklist to guide your organisation.

#### What do we need to do now as a regional/club organisation?

Right now, the responsibility to act sits with national organisations as they prepare to make constitutional changes. You should expect to hear from your national organisation in the first instance, with guidance on what to do.

Sport NZ is preparing constitutional templates, and we expect the regional/club templates to be available November.

Regional organisations and clubs should check with their national organisation (where relevant) first before updating using these templates.

#### Must national organisations support all clubs/regions to re-register - where relevant?

It will be up to individual national organisations to decide what level of support they can provide to their network. For example, we expect many NSOs to provide some guidance to regions and clubs to achieve consistency throughout their network, especially in terms of sharing their own constitutional changes.

#### Are the templates applicable to Recreation and Education partners as well as sporting organisations?

Our aim is to produce templates which can be adapted across all relevant partner organisations in the sector.

# Will Sport NZ be supporting national organisations to identify potential constitutional changes that would help them strength their constitutions to meet good governance criteria?

The templates produced don't solely focus on the incorporated societies (IS) changes and include other constitutional changes that support other good governance practice.

#### Will there be support provided for sporting clubs who do not sit under an RSO or NSO?

Sport NZ will publish a template, guidance and checklist suitable for an organisation at club level,

but all templates will need to be adapted for the individual organisation.

## Has Sport NZ liaised with the Incorporated Societies Registrar so they are aware of this recommended phased process, with the focus on the national level first?

Sport NZ has been engaged for over a year with MBIE/the Incorporated Societies Register and they are aware and supportive of the phased sector approach that Sport NZ is recommending.

### Will there be any ability to have Sport NZ (or someone) to 'peer review' a constitution or set of constitutions?

Sport NZ will not be able to peer review or provide legal advice on individual constitutions, but this is a great opportunity for collaboration among your networks. The templates produced by Sport NZ will be publicly available to view and contain good governance guidance notes.

#### **LEGAL ADVICE**

#### Do templates need to undergo legal review once adopted by organisations?

We do recommend that any constitutional changes are verified using a lawyer with specific constitutional expertise. Some national organisations may be able to assist their regions or clubs with legal support and may be able to adapt the constitution templates to be more specific to their code.

#### Is Sport NZ able to provide a list of lawyers to be used?

This isn't something that would be appropriate for Sport NZ to do plus we recognise partners will likely have existing legal counsel or agencies they have relationships with.

#### **DISPUTE RESOLUTION**

Please note: As part of the Integrity Transition Programme's function to establish the Integrity Sport and Recreation Commission, a new Code of Integrity for sport and recreation is being drafted. More information on how the code will speak to the new Incorporated Societies Act constitution (and specifically dispute resolution) will be coming soon.

#### Will the new constitution include disputes over athlete selection?

Our view is that selection appeals can be dealt with under a separate procedure outside of the constitution, provided that such disputes process is consistent with natural justice.

### In addition to disputes between members, will the constitution cover disputes in competition and in tournament?

The dispute resolution procedure needs to include disputes between and among members, officers and the organisation. If an incident occurs under the 'rules of the game', our view is that these disputes can be dealt with under a separate procedure outside of constitution, provided that such disputes process is consistent with natural justice. You will need to consider all policies and regulations sitting outside of your constitution that contain dispute resolution procedures.

## Is there an opportunity for aligned sports to set up a shared Disputes Resolution Framework e.g. aquatic sports?

Yes, we think there is an opportunity, that will need to be co-ordinated between the aligned sports.

#### **ADDITIONAL**

### As this is an opportunity to review the structure of our organisation, what are the pros and cons of being incorporated?

Please refer to the <u>following link</u> which provides information on the pros and cons of different legal structures.

### Is the incorporated society structure recommended for sporting clubs? Will NSOs be changing to something different (IE trust) and should a club follow?

The right structure will be what is right for your Club. We don't expect that NSOs will be changing their structure and will remain as incorporated societies. We have published guidance here on the differences between incorporated societies, non-incorporated groups and a hybrid model.

#### Is anyone exempt from the new Regulations?

The Regulations allow an exemption for societies who do not comply with section 45(3) of the Incorporated Societies Act 2022, which requires a society's committee/board to be made up of a majority of officers who are members or representatives of bodies corporate that are members (clause 6 of Schedule 1).

The exemption runs for 5 years, until 5 October 2028.

If your organisation wishes to have the benefit of this exemption, when you re-register your constitution online, you are required to give notice to the Registrar that your society will not comply with section 45(3)(ie that your constitution allows for you to have a majority of your committee/board to be made up of non-members or independents).

It's important you notify the Registrar, so that MBIE can then understand the number and nature of societies that have this level of independence on their board and support Sport NZ in advocating for a permanent exemption from the section 45(3) requirement.

#### How do I stay up to the date with information and resources?

Visit <u>Sport Governance | Administration | Sport New Zealand - Ihi Aotearoa (sportnz.org.nz)</u> for the latest information regarding the Incorporated Societies Act.