

What's changing for members

An introduction to what the law changes mean for members

The Incorporated Societies Act 2022 (the 2022 Act) came into effect on 5 October 2023. Any society that incorporates or reregisters under the 2022 Act must meet new member requirements.

()Minimum number of members

The minimum number of members has changed under the 2022 Act. The minimum number reduced from 15 to 10.

()Natural and corporate members

A member can be either an individual (natural) person or body corporate, (for example, other incorporated societies, companies, or charitable trusts). An unincorporated body — such as an unincorporated group of people or a partnership — can be a member of an incorporated society, but the society's constitution must provide for this.

For the purpose of making up the 10 members necessary to register a society, a body corporate counts as 3 individual members.

Societies will be required to record the details of their members in their register of members.

()What it means to be a member

Members aren't usually personally responsible for the society's debts or other obligations, but there are exceptions.

Every member involved could be held personally liable, if:

- they have undertaken activities to obtain money for profit that personally benefits those members.
- they have undertaken unlawful activities.

Being a member of a society doesn't mean that you are entitled to or have an interest in the property of a society.

A society's purpose cannot be to make a profit with the intention of distributing to its members.

()Members' consent

New members will need to give consent to become a member of a society under the 2022 Act. For example, you can't specify in your constitution that, say, everybody who lives within your suburb is deemed to be a member of your society.

Existing members (those who joined before a society reregisters under the 2022 Act) will not be required to confirm their consent.

Getting consent can be simple. For instance, filling in an application form will generally be considered to amount to consent.

If you don't get members' consent, they will not be a member and you won't be able to count them as members when you, for example, describe your society in a grant application.

How a society obtains and records consent is a matter for the society to decide. Some may want a formal process to obtain and record consents, while others may find it's enough for members to simply complete the membership application form or pay annual membership fees.

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See some examples of what may or may not constitute consent

Example 1: Consent on behalf of a family

If a person claims to represent a family, and you have no reason to doubt them (for example, they have indicated that their family members want to join the society), then you can rely on that person's declaration that the family consents to joining the society.

Example 2: Organisations as members

Under the 2022 Act, the consent of a body corporate, in applying to be a member of a society, can be given by an authorised person of that body corporate.

Example 3: Paying fees could indicate consent

What constitutes consent depends on what a particular society considers acceptable.

Example 4: Making donations doesn't necessarily indicate consent

- A society has a constitution that states that anyone who donates is considered a member of the society.

- Mr A donates to the society, but it is not made clear to him that doing so would make him a member of the society.

Mr A cannot be considered a member of the society because he was not made aware that donating would be considered as consenting to membership (the rule requiring consent was not met, as Mr A wasn't informed and couldn't give consent as it did not allow for informed consent from Mr A).

Example 5: Interest in joining doesn't necessarily indicate consent

- Ms B emails a society asking how she can join.
- The society does not respond, but simply adds her name to the membership list and Ms B soon begins receiving society emails and membership fee demands.

It is unlikely that Ms B's email enquiry would be sufficient to indicate her consent to joining, and so Ms B cannot be considered a member of the society.

- As a result, she is not required to pay the membership fees.

Example 6: Application to join to indicate consent

- On the website of a society, there is a 'Join our society' section where the terms of membership (for example, fees) are clearly stated.
- Mr C goes to the society's website and fills out the 'Join our society' section and agrees to the membership terms (tick box is OK).

Mr C has clearly indicated his willingness to join the society and can therefore be considered a member.

()Members obligation to update details

Members will now have an obligation to notify the society if they change their name and their contact details so the society can update its register of members.

()Dispute resolution procedures

The 2022 Act has made it mandatory for all societies to have procedures for handling disputes written into your society's constitution.

There are good reasons why the 2022 Act has made it mandatory for all societies to have proper procedures for handling disputes. Disputes are damaging, expensive, and time consuming.

Having these procedures documented in your constitution means members and officers know how to raise or respond to a complaint. They will also know how complaints will be dealt with.

 [Read more about dispute resolution procedures >](#)

[\(https://is-register.companiesoffice.govt.nz/law-changes-for-societies/dispute-resolution-procedures/\)](https://is-register.companiesoffice.govt.nz/law-changes-for-societies/dispute-resolution-procedures/)


()Requesting information held by a society


The 2022 Act allows for a member to make a request in writing for information the society holds. The request needs to set out enough information for the society to identify the information requested.



A society within a reasonable time after receiving the request needs to either.

- provide the information, or
- agree to provide the information within a set timeframe, or
- agree to provide the information within a set timeframe — if the member pays a reasonable charge to the society (which needs to be specified and explained) to meet the cost of providing the information, or
- provide a reason for refusing to provide the requested information.

A member can withdraw their request for information either by notifying the society that they want to withdraw their request or if they fail to pay the fee within 10 working days after being notified of the charge.

A society can [refuse to provide the requested information in certain instances](#) 
(<https://www.legislation.govt.nz/act/public/2022/0012/latest/LMS246452.html>).

 Nothing in sections 80 to 82 of the 2022 Act limits information privacy principle 6 (set out in the Privacy Act 2020).

- [Sections 80-82, Incorporated Societies Act 2022](#) 
(<https://www.legislation.govt.nz/act/public/2022/0012/latest/LMS100961.html>)
- [Principle 6, Privacy Act 2022](#) 
(<https://www.legislation.govt.nz/act/public/2020/0031/latest/LMS23342.html>)

()How you can stay up to date

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(<https://confirmsubscription.com/h/r/D0F9C27F3287891E2540EF23F30FEDED>)



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