



Submission on the Incorporated Societies Bill - May 2021

Thank you for the opportunity to comment on the Incorporated Societies Bill. Alzheimer's New Zealand Incorporated naturally has a strong interest in this Bill. The focus of our submission is the section on Financial Gain in Subpart 2.

About Alzheimer's NZ

Alzheimer's New Zealand was established over 30 years ago and represents people affected by dementia at a national level by raising awareness of dementia, providing information and resources for people affected by dementia, advocating for high quality services for people affected by dementia, and promoting research about prevention, treatment, and care of people affected by dementia. We work at a global level through our membership of Alzheimer's Disease International.

We also support local Alzheimer's organisations throughout New Zealand, each of which is a member of Alzheimer's NZ. Local Alzheimer's organisations provide support, education, information, and related services directly to members of their communities who are affected by dementia.

Alzheimer's NZ Charitable Purpose

Alzheimer's NZ is a registered charity, with a charitable purpose to pursue a dementia-friendly New Zealand. The purpose is set out in our constitution and includes:

- (a) raising community awareness about dementia;
- (b) educating and informing ... ;
- (c) collecting, developing and disseminating information and resources;
- (d) promoting the education and training of relevant personnel;
- (e) developing and providing products and/or services ... ;
- (f) stimulating and promoting research... ;
- (g) promoting dissemination of research findings;

- (h) empowering people living with and affected by dementia ...;
- (i) promoting high quality services, better education and training ..., improved treatment, quality of life and wellbeing; and
- (j) ...promoting changes to policies, programmes and services

Alzheimers NZ engages in a range of activities in support of this purpose, some of which we undertake nationally and some locally through our Members, all of which are independent, autonomous Incorporated Societies. We support our Members in that work by sharing a portion of the proceeds from our fundraising activities.

Subpart 2 Clause 24 may limit ability to further charitable purpose

Alzheimers NZ supports Subpart 2 Clause 22 of the Bill - that a society must not be carried on for the financial gain of its members.

However, Clause 24 may be more problematic. It states:

(1) A society (or proposed society) does not have a purpose of being carried on, and is not being carried on, for the financial gain of any of its members merely because it will or may—

(b) pay a member for matters that *are incidental to the purposes of the society*, and the member is—

(i) a body corporate that is not carried on for the private pecuniary profit of any individual; or

(ii) *a charitable entity*

Umbrella Incorporated Societies such as our own distribute funds to Members as part of furthering our charitable purpose. We work nationally. The role of our Members is to provide services directly to people with dementia and their family/whānau within their communities including in ways that further Alzheimers NZ's charitable purpose.

Most recently, funds we have distributed to Members have supported them to respond to the exigencies of Covid-19 as well as disseminate information and deliver education programmes. These funds were much more than incidental to our purpose – they were critical to it.

We know we are not the only national umbrella organisation that distributes funds to its Members as one way in which it delivers on its Charitable purpose. As currently drafted, Subpart 2 Clause 24 would prevent us and other national umbrella organisations from distributing funds to Members as a means of furthering our Charitable purpose.

We therefore recommend that clause 24(b) is deleted and substituted with:

(b) pay a member for matters that are incidental to or *in furtherance of* the purposes of the society, and the member is a not-for-profit entity.

Conclusion

Incorporated societies with not-for-profit members need to be able to distribute funds to their members for matters that are in furtherance of the purposes of the society. Alzheimers NZ is one such society, and many people depend on the services our organisation, and the services our members provide.

When lockdown came, Rose didn't think she would be able to adjust to attending her group online. "But then Sue, from Alzheimers Nelson took us through it step-by-step and we haven't skipped a beat. We talk about all sorts of things online, our experiences with our family members who have dementia as well as other things that completely take our minds off it".

Rose believes the Alzheimers Carer Support Groups fill a huge gap in support for carers. ([Alzheimers NZ Blog June 2020](#))

Recommendation:

Alzheimers NZ recommends that clause 24(b) is deleted and substituted with:

(b) pay a member for matters that are incidental to or in furtherance of the purposes of the society, and the member is a not-for-profit entity.