

Clubs New Zealand Submission – Review of New Zealand Companies Office Fees and Levies

To the Ministry of Business, Innovation and Employment.

Clubs New Zealand welcomes the opportunity to present this submission on the Review of New Zealand Companies Office Fees and Levies (2025).

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INTRODUCTION

Clubs New Zealand Incorporated (Clubs New Zealand) is a national body representing more than 300 not-for-profit member clubs across the country. Our members include sports clubs, community clubs, workingmen’s clubs, and RSAs, all of which are incorporated societies that contribute significantly to the social and economic fabric of New Zealand.

Clubs New Zealand appreciates the opportunity to provide feedback on the proposed changes to the Companies Office fees and levies. We strongly oppose the introduction of new fees for incorporated societies and urge MBIE to reconsider cost recovery proposals that place additional financial pressure on community-based, volunteer-led organisations.

OPPOSITION TO NEW FEES FOR INCORPORATED SOCIETIES

We are disappointed that MBIE is proposing new fees for Incorporated Societies, including:

- An annual return fee
- An amalgamation fee
- A conversion fee
- The introduction of two new levies, the Companies Office Levy and the NZBN Levy.

Clubs New Zealand has consistently opposed the introduction of new fees as part of the Incorporated Societies reform process. In our 2021 submission on the Incorporated Societies Bill, we stated:

“The Bill imposes more administration requirements upon societies. Clubs New Zealand is supportive of these administrative requirements, however, we oppose the creation or obligation of fees in meeting these administrative requirements”



We reiterated this position in our submission on the Incorporated Societies Regulations 2022:

“Societies we have spoken to were shocked that the initial proposal is to pass this cost onto the societies, when in effect they are being ‘forced to re-register’ to remain incorporated.”

The proposed cost structure, particularly when societies are legally required to re-register by April 2026, feels punitive and counter productive to the Government’s intent of supporting community-led organisations.

OPPOSITION TO ANNUAL RETURN FEE FOR INCORPORATED SOCIETIES

Clubs New Zealand is strongly opposed to the introduction of an annual return fee, as proposed in the consultation.

Under the new regime, societies are legally required to file an annual return, making this an unavoidable compliance activity. It is deeply concerning that a mandatory requirement is now to be accompanied by a fee, effectively introducing a new cost of compliance for not-for-profit, community-based organisations.

As with previous submissions, this is not an optional service, and societies have no choice but to comply. The fee therefore functions as a tax on incorporation. For many small clubs, this additional burden, alongside the proposed levies, adds up to an unsustainable increase in compliance costs.

This change risks undermining confidence in the reformed system and could discourage compliance or even registration continuity among already stretched societies.

CONCERN ABOUT LEVY FAIRNESS AND TRANSPARENCY

We are concerned that the proposed levies, particularly the \$15 companies’ office levy and the \$12 NZBN Levy, represent a disproportionate burden on not-for-profit societies. While the discussion document suggests that levies provide a fairer model of cost distribution, it is unclear how value is being returned to small, incorporated societies from these shared costs.

It is not equitable to ask a large corporate entity and a small community club to pay the same annual levies when their use of the Companies Office services, and their capacity to pay, is vastly different.

RECOMMENDATIONS

Clubs New Zealand submits the following:

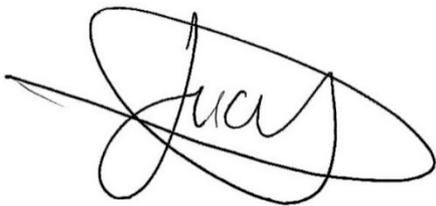
- That no new fees or levies be applied to Incorporated Societies in relation to compliance with the Incorporated Societies Act 2022.
- That the cost of annual returns and enforcement activities be funded by the Crown in recognition of the public good provided by Incorporated Societies.
- That MBIE undertakes a further consultation specifically with Incorporated Societies before implementing any new cost recovery model that affects them.

Clubs New Zealand supports a fair, transparent, and sustainable Companies Office, but this must not come at the expense of grassroots community organisations. Introducing these new fees and levies at a time of economic strain risks undermining the very sector the Incorporated Societies Act was designed to strengthen.

CONCLUSION

Clubs New Zealand values the role of the Companies Office in supporting compliance, transparency and good governance. However, we urge the Ministry to reconsider these proposed changes and to ensure that incorporated societies, especially those operating on limited means, are not financially penalized for fulfilling their statutory obligations.

We would welcome the opportunity to engage further on this issue.

A handwritten signature in black ink, appearing to read 'Lucy', enclosed within a large, loopy, oval-shaped scribble.

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