

Democracy - Yours to ignore

We are incredibly fortunate to live in a beautiful, wealthy, safe, first world country. We also live in a democracy with an excellent system of law that allows us to participate in civil society. Every one of us has the ability to have a real say in our country's future - if we choose to exercise that right.

Yet perhaps precisely because of these very comfortable facts we commonly run the great risk of taking it all for granted.

I was reminded of this recently when presenting a seminar on service performance reporting for charities, as well as making passing reference to other accounting standard and upcoming legislative changes. I highlighted the fact to my attentive audience the fact that we currently have some important exposure drafts on release for comment. The first from the External Reporting Board being a proposed accounting standard on service performance reporting. This will apply to all large charities and Public Benefit Entities. The second being a proposed bill to replace the "uncomfortably old" Incorporated Societies Act 1908. This will radically overhaul this long-standing legislation.

While I largely agree with the overarching thrust of these proposed changes, both of them represent what I believe to be potentially significant changes to the organisations that they will impact.

And that is where I come back to democracy. Organisations and individuals that they will impact have the opportunity now to understand the proposed changes, have their say, and potentially change the final output as a result. But only if they engage in the process at the time that they can make a difference.

And that time is now.

Yet my fear is that many of the people, and their organisations, that these exposure drafts will impact will not engage with them at this consultation stage. When I have queried this all too common behaviour in the past the reasons I've been given are usually along the lines of: "We didn't know about it", "We're too busy", "Someone else will be doing that", and even "These laws are made and checked by smart people aren't they? Surely they will ensure what we end up with is reasonable."

Sadly past experience also tells me that many of these same people will later complain, and often loudly and bitterly, about the new requirements imposed on them. And "why didn't anyone do anything about this new law?!"

Well that is part of the price of democracy - you do have the opportunity to have your say...but only if you do it when your say will count.

I fully appreciate that just because you have had your say in a consultation process does not necessarily mean that your view will result in a change. That's the nature of consultation. But the alternative is not engaging and hence not having the opportunity to be heard - and that's guaranteeing no change will come about!

So if you are a large charity or PBE, or an incorporated society, then your time is now. Time to engage, to understand what the proposed changes will mean to you, and if you have an opinion then voice it. Failure to do so is a vote of support by default.

Footnote

The exposure draft and proposed Bill I refer to can be found using the following links:

Incorporated Societies Bill

<http://www.mbie.govt.nz/info-services/business/business-law/incorporated-societies/incorporated-societies-bill-exposure-draft>

Submission period closes **30 June 2016**

Service Performance Reporting

Exposure Draft ED NZASB 2016-6 *Service Performance Reporting*

https://www.xrb.govt.nz/Site/Accounting_Standards/Exposure_Drafts/SPR_ED_2016-6.aspx

Submission period closes **29 July 2016**

Parting Thought

Just in case you are tempted to complain about yet another change that will impact your life thanks to new legislation or regulation – take a moment to reflect how truly lucky we are to be concerned about such things. I've been very fortunate in my some of my roles to visit much less fortunate countries than ours. Including some where the primary concern is staying alive! And I can assure you that ever present threat helps focus the mind. One of the most useful benefits of this experience is to help put our daily challenges or gripes in New Zealand into perspective; as much as they may cause us stress at the time - they are usually just first world problems. Much of the world would love to be concerned with such mundane problems as ours.



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