



Sector Group Report

Kia ora koutou,

On 15 September 2022, the Charities Sector Group (SG) met online via zoom. 11 sector leaders and specialist professionals (listed below) met with staff from Charities Services and the Policy Group in the Department of Internal Affairs (DIA) and other agencies to discuss matters of common interest.

The purpose of this document is to communicate some of the points of discussion during the SG and allow members to communicate the discussions to their member organisations.

SG Sector Only discussions

Sector Co-Chair Michelle Kitney outlined what the members of the sector discussed during their sector only time.

The SG expressed a strong desire for face-to-face meetings, and to set dates for next year early in advance, as well as more opportunities to contribute to the agenda. They would also like to document actions from meetings, so they can be fed back to the sector.

There was consensus within the SG that there is value in having a two-way dialogue between the sector and Charities Services, and a desire to continue this with regular meetings. The SG proposed possible additional meetings over the year to facilitate this.

Members of the SG fed back a desire to engage with recent and proposed changes to legislation which affects the charitable sector. This included changes to the Incorporated Societies Bill, and what that would mean for charities. The SG members were also interested in the proposed changes to the Charities Act, and what next steps would look like.

Kōrero with Te Rātā Atawhai

Gwendoline Keel (Board Chair) and Dr Bev Gatenby (Board Member) welcomed the opportunity to discuss the current state of the charitable sector with the SG. They offered apologies from Lorretta Lovell (Board Member) who unfortunately could not attend.

The Board discussed the impacts of recent court decisions from their perspective. In particular, how they provided clarity on what kind of advocacy is acceptable for registered charities. The Board considers the judgement consistent with their current approach, and that the test used to assess charities is still relevant. The Board noted they are considering

their approach in light of the recent judgments and will provide more information as it becomes available.

The upcoming changes to the Charities Act were also discussed, and the SG expressed a desire to carry out a first principles review as part of the Act changes. Members of the SG also expressed concern about the proposed introduction of the Taxation Review Authority to hear cases, and what this would mean for hearings. The Board encouraged everyone to engage with the current reform process, as this provides an opportunity to give feedback on the proposed law.

XRB Upcoming Tier 3 and Tier 4 changes

Representatives from the External Reporting Board (XRB) presented a summary of the proposed upcoming changes to the Tier 3 and Tier 4 standards, including simplification and reduction of requirements for smaller Tier 4 charities.

The SG questioned the use of accounting terms with specific definitions and the limitations of providing guidance and assistance to understand these outside of the reports themselves, given the difficulties many smaller organisations have in seeking out and understanding the help available. Many members of the SG were broadly supportive of the changes proposed by the XRB.

The XRB advised that submissions and feedback were open until 30 September and invited everyone to make submissions if they could. The XRB noted that a follow up review of the reporting standards is unlikely to occur for some time.

Charities Act

Members of the Department of Internal Affairs Policy Group attended to outline the current status of the legislative change. As the proposed changes have been announced, the DIA Policy Group welcomed discussion with the SG.

Members of the SG questioned whether the proposed changes would require charities to review and possibly amend their rules documents every year. This would be of concern especially where separately registered charities are governed by rules set by international or umbrella organisations, that the individual charity might not be able to change.

The DIA Policy Group assured the SG that the proposed Bill does not introduce a requirement for charities to amend their rules, and that the intention is instead to encourage officers of charities to actively engage with their rules and understand their governance requirements.

The DIA Policy Group encouraged the sector to provide feedback and make submissions during the Select Committee process.

Inland Revenue

Representatives from Inland Revenue (IR) presented a slideshow on recently collected statistics of donation tax credits by individuals and companies. They noted that there has been no overall reduction in donations since COVID-19.

Possible upcoming design changes to the IR website were also discussed. SG members encouraged IR to work directly with peak bodies in the early stages, so they could deliver content which made sense to the sector.

Attendees:

Sector Group Members: Jane Zintl (Ara Taiohi Incorporated), Sue Barker (Charity Law Association of Australia and New Zealand), Craig Fisher (Chartered Accountants Australia and New Zealand), Chris Glaudel (Community Housing Aotearoa), Jim Datson (Fundraising Institute of New Zealand), Rochelle Stewart-Allen (Hui E! Community Aotearoa), Peter van Hout (Interchurch Bureau), Sarah Doherty (NZ Navigator Charitable Trust), Steven Moe (Parry Field Lawyers), Memo Musa (Platform Charitable Trust), Michelle Kitney (Volunteering New Zealand) [Co-Chair]

Te Rātā Atawhai: Gwendoline Keel (Board Chair), Dr Bev Gatenby (Board Member)

DIA Charities Services Staff: Natasha Weight (General Manager), Stephen Reilly (Manager Regulatory), Andrew Newbery (Manager Engagement and Business Improvement) [Co-Chair], Joe Buchanan (Principal Advisor), Andrew Patrick (Manager Investigations), Lucy Beeler (Team Leader Registration), Belinda Thomas (Team Leader Customer Support), Francesca Ephraim (Regional Advisor Capability), Lex Scott (Graduate Charities Regulator)

DIA Policy Staff: Jayne Beggs (Policy Manager), Jess Henderson (Senior Policy Analyst), Mikayla Scheck (Policy Analyst)

Inland Revenue Staff: Stewart Donaldson (Principal Advisor Policy), Todd O'Carroll

External Reporting Board Staff: Jamie Cattell (Project Manager), Carly Berry (Project Manager)

Apologies: Richard Leung (New Zealand Chinese Association Incorporated), Denise Kingi-'Ulu'ave (LeVa), Louise Eunson (Plunket), Sue McCabe & Emma Wethey (Philanthropy New Zealand), Peter Bain (Interchurch Bureau), Juliet Chevalier-Watts (University of Waikato), Abann Yor (Aotearoa Resettled Community Coalition Incorporated), Craig Barrett (Baker Tilly Staples Rodway), Rachel Noble (Deaf Action New Zealand), Damon Birchfield (Environmental Hubs Aotearoa), Rachel Qi (Multicultural Council of Wellington Incorporated), Tai Ahu (Te Ohu Kaimoana), Kitty Bennett (Te Atamira Taiwhenua), Valerie Williams (Todd Foundation), Mihiarangi Piripi (Whāia Legal), Paulien Fa'atafa (NZ Navigator Charitable Trust).