



Sector Group Report

On 16 June 2026, members of Charities Sector Group met with Charities Services and other agencies to discuss points of interest to the charitable sector. The meeting was held online. Below is a summary of the meeting.

Sector discussion and feedback

Feedback focused on tax policy changes announced in Budget 2026. The group expressed concern that a significant change was made without consultation and interagency communication. The group would like to see more connection and better engagement through the use of the Sector Group.

Members confirmed Katie Boxall of Hui E! as the new sector co-chair.

Charities Services' - Director update

The Director of Charities Services outlined current priorities including reducing registration backlogs, implementing an operating model review, improving stakeholder engagement, and progressing AI and automation initiatives. Increased application volumes and low-quality submissions were identified as key drivers of the backlog not just in New Zealand but globally.

Work is underway to strengthen audit capability, review extension processes, and explore potential audit threshold changes. Public trust and confidence in the sector remains a key strategic priority for Charities Services and ensuring the information on the register is correct.

Registration application process

An update was provided on the registration backlog. A significant increase in applications and low-quality submissions has contributed to delays. Changes to processes now place greater responsibility on applicants to submit complete applications, reducing back-and-forth engagement. Processing times have improved from approximately 37 weeks to around 18 weeks, with a target of 10 weeks. Further improvements and consultation on additional changes are planned.

Changes to the Lottery Grants Systems

General Manager of Community Operations|Hāpai Hapori, provided an overview of the upcoming changes to the Lottery Grants system effective 1 July 2026. The system will move from 19 funding committees across the country to 7 (6 regional and 1 national), with a single fund framework. Standardised funding rounds and simplified application processes are expected. Concerns were raised about implementation timelines, communication, and impacts on specific groups. Information is available online at [Community Matters](#).

Tax policy changes post-budget

Inland Revenue provided an overview of tax changes, including proposed increases to tax free thresholds for not-for-profit entities. This is increasing from \$1,000 to \$10,000. This affects around 5,000 registered charities. These changes may incentivise smaller charities to deregister with Charities Services to lower their administrative burden.

There was some concern raised regarding the changes to the Donation Tax Credit. There is currently no cap on donations eligible for the 33.33% tax credit. This will be changing for donations over a financial year up to \$100,000. This will affect 350 donors. Collectively, those 350 donors donated a combined 103 million dollars last year.

More information is available from IR at [Charities and not-for-profits – Information sheet](#)

Other updates

Most registered charities that are Incorporated Societies met the 5 April 2026 deadline to re-register as an Incorporated Society under the 2022 Act. A small number took no action and ceased to exist as an incorporated society. These received notification from Charities Services and were removed from the Charities Register. A small number remain under review. Ongoing engagement continues to support compliance.

Other business

General discussion included sector engagement opportunities, upcoming events, and the importance of collaboration across agencies to support the sector.

Members of the group joined Charities Service in acknowledging and thanking outgoing co-Chair, Chris Glaudel for his service to the group.