



Sector Group Report

Kia ora koutou,

On 11 May 2021, the Charities Sector Group (SG) met online via Zoom. 16 sector leaders and specialist professionals (listed below) met with staff from Charities Services, Hāpai Hapori 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 Rochelle Stewart-Allen outlined what the members of the sector discussed during their sector only time. Michelle Kitney (Volunteering New Zealand) has been appointed deputy chair of the SG. It was decided that the deputy chair will step into the co-chair position after a year. The previous co-chair Sarah Doherty and deputy co-chair Steven Moe were thanked for their work over the last year. Going forward, it was acknowledged that there needs to be more diversity in the SG leadership.

The SG requested that the agreed upon values of transparency, diversity, inclusion and integrity are prioritised in the modernisation of the Charities Act. They also asked for acknowledgement of the charitable sector and the contribution it makes to New Zealand society.

Members of the sector requested that a common seal becomes an optional requirement for charities.

The SG requested more lead-in time prior to meetings (4-6 weeks) and an agenda to be circulated earlier so that they could discuss issues with their membership.

To ensure transparency, all present would have their names recorded in the notes and if people wanted to reach out to discuss sector issues, the co-chairs would have their email addresses listed.

Charities Act update from DIA Policy

The DIA Policy team outlined broad priorities of the Minister for the Community and Voluntary Sector, the Honourable Priyanca Radhakrishnan. They also emphasised that the Charities Act is the main priority and good progress is being made. The focus is on practical improvements. Fundamental issues may be in a second phase of work.

The initial topics to be advanced are focused on changes to address some of the practical day-to-day process and transparency issues faced by the charitable sector, to allow charities to focus on working with communities. These topics are:

- * reporting requirements for small charities;
- * charities' business and accumulation activities;
- * investigating potential improvements to the appeals mechanism;
- * matters relating to the regulator; and
- * duties of officers of charities.

The SG will be contacted for their input along with other stakeholders (including the External Reporting Board, the Charities Registration Board, Inland Revenue, Ministry of Justice and the Ministry of Business, Innovation and Employment). A briefing to the Minister on preferred outcomes will be submitted later this year, with a Cabinet Paper about all the issues to follow. The Sector Group was encouraged to discuss the priorities with their membership as there is no more public consultation at this stage.

Charities Services update

Charities Services' General Manager

Natasha thanked everyone for the work done in communities across Aotearoa. She is keen to understand what the sector needs to support its work in a COVID environment and a complicated landscape.

She warmly welcomed the new members of the Sector Group and expressed her appreciation for their input, knowledge and experience. Charities Services' priority is to make it easier for charities where possible.

Leaders from each team of Charities Services - Investigations, Registrations, Capability and Customer Support briefly outlined to the new members what their areas did and gave an update on current work.

Regulatory

The SG was updated on the Family First case before the courts. An update was given about the increasing volume of complaints received about charities and the work Charities Services is

doing to create efficiencies to handle complaints. A member noted the increasing number of complaints is still minimal compared to the number of registered charities.

Registration

The risk-based approach implemented last year has improved the timeliness of decision making on registration applications from 58 days (July 20) to 35 days.

Engagement and Business Improvement

Technology upgrades will ensure that the Charities platform is more secure, and the data collected from reporting will be utilised more effectively.

A cross agency group has been established with Inland Revenue and MBIE to ensure consistency and improvement of government services to the charitable sector.

Customer Support

The team is currently checking for reporting compliance and charities that have failed to file are being removed from the register. They work closely with the contact centre on making it easier for charities to get the help they need.

Capability

More face to face engagement is planned this year with Charities Services working closely with their colleagues in Hāpai Hapori - Community Operations and the Office of Ethnic Communities. An Open Day is planned for Christchurch in June and planning for the Annual Meeting later this year is underway. The location will be Auckland this year.

Governance Project

A set of four videos have been recently created to help people chairing charities understand their roles. The videos are available on the Centre for Social Impact and the Institute of Directors websites.

Principal Advisor

A review of the registration and annual return form is underway. The forms serve several functions and a short document will be circulated to the Sector Group members before the next meeting.

Inland Revenue

Stewart Donaldson presented a slideshow to the group on tax changes. A copy of the slideshow has been sent to all SG members to share with their membership. Included was information about GST and unconditional gifts, draft operational statements for charities and donee

organisations (close to finalisation in May/June 2021) and charities business exemptions (business carried on in partnership).

Stewart stressed that it was important to ensure all donation receipts meet Inland Revenue's requirements as many claims have been disallowed because receipts lack necessary information.

Deregistration tax was discussed, and it was reiterated that all assets must be returned to charitable purposes within 12 months of a charity winding up to avoid being subject to tax on the surplus assets.

Stewart was asked if Inland Revenue's customer services staff dedicated to not-for-profit sector will be multi-lingual. Stewart made enquiries and Inland Revenue provided the following response: All Inland Revenue customers have the option of a translator through Language Assistance. Language Assistance is a phone-based interpretation service which improves our ability to provide service for our customers whose first or preferred language is not English. Language Assistance offers a service which is available in over 180 different languages. This work supports the State Services Commission goal of 'enhancing access, responsiveness and effectiveness, and improving New Zealander's experience of State Services'. It is available 24/7 and all customer services staff are trained to access this service.

General Business

A webpage has been added to the Charities Services website so that notes from the meetings are available to the public. The SG membership list will be updated on 21st May. Please let a Co-Chair know if you do not want your name listed.

Rochelle Stewart-Allen asked the group what they are seeing in the sector post COVID. She spoke about the survey undertaken by Hui EI, Philanthropy New Zealand, Volunteering NZ and the Centre of Social Impact last year. More analysis was needed but key issues were:

- * charities delivering more with less funding
- * Māori, Pacifica and other ethnic groups receive less support and are less likely to have reached out for assistance
- * More collaboration is needed and funding to help that occur
- * Some charities are wanting to change their service design post-COVID but don't have the capability or capacity
- * Charities aren't supported adequately to pivot

Round table discussion about what groups are seeing in their communities

New Zealand Chinese Association Incorporated - Rachel Qi

The majority of members are migrants who find running a charity/community group to be a challenge. Key issues were; obtaining funding, completing annual returns and updating details online. It was suggested that agencies could hold workshops to help. Members would find it difficult to make submissions for the Charities Act review.

Deaf Action New Zealand - Rachel Noble

The disability sector needs its own voice. It is important that accessibility for the sector is promoted and there is an attitude of acceptance for people with disabilities.

Plunket - Louise Eunson

Mental health and well being have been impacted and the economic strain on families post COVID has had a big impact on people.

Ara Taiohi Incorporated - Jane Zintl

It's been important to keep a sense of normality for young people. Many have preferred using an online service which while good for service users has amounted to dual delivery costs while the same amount of funding is received. The current climate has put a strain on the mental health of service users.

Community Housing Aotearoa - Chris Glaudel

There is an increasing need for housing and more demand than resource. The cost of rent, the housing market and an economic down turn have created more pressure.

Volunteering New Zealand - Michelle Kitney

There are differing needs across the country, but they are seeing older people moving out of volunteer roles and an influx of newer people. This creates more work onboarding new volunteers and more pressure to take care of the well being of volunteers. Funding is always an issue and all are under resourced financially.

Sector Group Attendees:

Emma Wethey- Emma@philanthropy.org.nz (Philanthropy New Zealand), Steven Moe- StevenMoe@parryfield.com (Parry Field Lawyers), Michelle Berriman- michelle@finz.org.nz (Fundraising Institute of New Zealand), Sue Barker- susan.barker@charitieslaw.co (Charity Law Association of Australia and New Zealand), Michelle Kitney- michelle@volunteeringnz.org.nz (Volunteering New Zealand), Sarah Doherty-sarah@dohertysolutions.co.nz (NZ Navigator Charitable Trust), Rachel Qi- president@mccwellington.org.nz (Multicultural Council of Wellington Incorporated), Denise Kingi-'Ulu'ave Denise.Kingi-Uluave@leva.co.nz (LeVa), Richard Leung- Rgleung67@gmail.com (New Zealand Chinese Association Incorporated), Chris Glaudel- projects@communityhousing.org.nz (Community Housing Aotearoa), Rachel Noble- rachel@ennoble.nz (Deaf Action New Zealand), Jane Zintl- executive.officer@arataiohi.org.nz

(Ara Taiohi Incorporated), Louise Eunson- Louise.Eunson@plunket.org.nz (Plunket), Rochelle Stewart-Allen- rochelle@huie.org.nz (Hui E! Community Aotearoa), Paulien Fa'atafa-paulien.faatafa@gmail.com (NZ Navigator Trust); Peter Bain-peter_bain@nzf.salvationarmy.org (Salvation Army)

DIA Charities Services Staff: Natasha Weight (General Manager), Stephen Reilly (Manager Regulatory), Andrew Phillips (Manager Engagement and Business Improvement), Jo Gould (Principal Advisor), Joe Buchanan (Team Leader Registration), Belinda Thomas (Team Leader Customer Support), Andrew Newbery (Team Leader Capability), Francesca Ephraim (Regional Advisor Capability)

DIA Hāpai Hapori Staff: Daisy McElwain (Advisor Strategic Programmes and Advice)

DIA Policy Staff: Jayne Beggs (Policy Manager), Louise Cooney (Principal Advisor)

Inland Revenue Staff: Stewart Donaldson (Principal Policy Advisor), Annette Stenberg (Customer Compliance Specialist)

Ministry of Business, Innovation and Employment Staff: Shweta Sharma (Policy Advisor).

Apologies: Juliet Chevalier Watts (University of Waikato), Kitty Bennett (Te Atamira Taiwhenua), Damon Birchfield (Environmental Hubs Aotearoa), Craig Fisher (Chartered Accountants Australia and New Zealand), Memo Musa (Platform Trust), Valerie Williams (Todd Foundation), Mihiarangi Piripi (Whāia Legal), Tai Ahu (Te Ohu Kaimoana), Dave Sayers (Manager Investigations Charities Services), Geoff Connor (Ministry of Business, Innovation and Employment); Peter Van Hout (Interchurch Bureau), Abann Yor (Aotearoa Resettled Community Coalition Incorporated), Craig Barrett (Baker Tilly Staples Rodway).