



Sector Group Report

Kia ora koutou,

On 6 November 2019, the Sector Group (SG) assembled at the Department of Internal Affairs' Wellington offices. 14 sector leaders and specialist professionals met with staff from the Charities Services Group of the Department of Internal Affairs (DIA) to discuss matters of common interest, and to review the operation of the SG. DIA Policy Group staff and Inland Revenue Policy staff also attended and updated the group on their respective work. Most attended in person, but one attendee called in via Zoom.

The purpose of this report is to communicate some of the points of discussion during the Sector Group, and allow members to communicate the discussions to their member organisations.

Update from Charities Services

Leaders from each team of Charities Services - investigations, registrations, capability and customer support gave updates on their work.

Aligned with Charities Services' work towards a modern, risk-based and responsive approach, the investigations team reported on a new approach to conduct shorter inquiries before progressing to a full investigation. This approach was introduced so that the approximately 200 complaints received a year could be prioritised according to the risk of harm to the charities sector.

The registration team had also made changes to streamline the process when charities change their rules and for charities who want to re-register. As a result, the time-to-register and make rule changes had been reduced. A triage system was also being explored to make it easier for lower risk entities to register, and decrease wait times for all charities.

The capability team reported on a focus on more face-to-face engagement in 2020, as well as delivering more resources, blogs and webinars focussed on requests from charities. The capability team had also been involved with the Coalition for Community Governance, which is working on a strategy for community governance.

Two conferences were planned for April 2020: the International Charities Regulator Conference, which New Zealand is hosting, and the 2020 Charity Law, Accounting, and Regulation conference, hosted by the Charity Law Association of Australia and New Zealand and the Chartered Accountants of Australia and New Zealand. Both conferences will be held in Wellington.

The customer support team reported on changes to the password reset and voluntary deregistration process, to allow charities to do so safely and automatically. The development of a frequently asked questions page for the website was also discussed, and members were invited to provide feedback on any particular questions that would be useful to cover to info@charities.govt.nz.

Sector update

At the previous SG meeting it was suggested that a Co-Chair from the sector would be a useful addition to the Sector Group. The sector representatives met separately before the SG meeting to discuss whether the role should go ahead, and who would be appropriate for the role. The group reflected on their discussion noting that a Co-Chair would add value to the meetings and that an amended job description would be sensible, in particular, they thought membership should be decided by the group, rather than the Co-Chairs. Sarah Doherty (NZ Navigator Trust) was selected by the representatives as the interim Co-Chair until July 2020. The group also thought that Charities Services may need to consider a budget for this position. The Charities Services General Manager clarified that this was not envisaged as a paid role but that she was open to a discussion.

Other SG members noted that more work needs to be done on the charter and the terms of reference for the Sector Group. They identified that a key goal is to work with Charities Services to take on the role of champion of the sector.

Sector Group membership brainstorm

SG members brainstormed what type of membership the SG should have. It was agreed that the SG should represent a diversity of perspectives, and it would be useful to include the perspectives of: Māori, Pacific, and ethnic bodies, umbrella and peak bodies, funders, volunteers from smaller organisations, regional voices, arts, sports and environmental charities, ethnic and youth. The group agreed that membership should be discussed at the next meeting of SG.

Forms discussion

Charities Services led a discussion on the review of Charities Services' forms for registration and annual returns.

The collection of data was discussed, specifically the value in collecting information that may be inaccurate such as the data collected on the average hours volunteers spend in their charities. Concern was raised about how charities need to report different information to funders. Everyone agreed that the ideal situation would be for charities to report once and the information to be used for a number of different purposes.

A further discussion was had about the need to support charities to fill out the forms. Charities Services confirmed that customers could be supported by the Contact Centre and the Customer Support Team. Charities Services also reiterated that more face-to-face engagement is being planned for 2020 so there will be more opportunities for staff to help people with any issues with the forms and reporting standards.

Update on the modernisation of the Charities Act

The Department's Policy Team updated the group on the progress with the modernisation of the Charities Act. Approximately 1200 people attended the roadshows around the country and 363 submissions were received.

The Policy Team acknowledged that the timeline on the website is out of date. They also noted that Core Reference Group has not been disestablished, but that there had been no recent meetings.

[Since the meeting, the Policy Group has released the submissions, including a summary of submissions on the website.](#)

Update from Inland Revenue

Inland Revenue's Customer Insight and Evaluation team presented on the not-for-profit and charities landscape research that was recently carried out. The research is part of a work programme to better understand customers, their experience with Inland Revenue, and explore opportunities to improve outcomes.

Information was gathered from 35 interviews, survey responses from 1796 people and attendance at the Charities Act Modernisation roadshow. The biggest issues not-for-profits and charities said they faced related to funding, volunteers, membership, finding enough time for the role, and organisational purpose. The presentation will be distributed to SG members when it is available for release.