### Charities Act Review: Questions and Answers

1. **Will the review consider changing the four heads of charity?**

The review will not consider changing the four heads of charity – relief of poverty, advancement of religion, advancement of education or any other matter beneficial to the community.

The definition of ‘charitable purpose’ is outside the scope of the review. But the review will look at mechanisms to challenge or appeal the regulator’s decisions, to better enable case law around ‘charitable purpose’ to develop.

1. **Why have tax exemptions been excluded from the scope of the review?**

Charities registered under the Charities Act 2005 are entitled to tax exemptions on most income under the Income Tax Act 2007.

The Income Tax Act governs tax exemptions, not the Charities Act. Tax exemptions are not a matter that is appropriate for the Charities Act review to consider.

The Tax Working Group is currently examining the tax system. The Tax Working Group may consider the tax treatment of charities in its work. Any interim findings of the Tax Working Group relevant to charities would be considered as part of this Charities Act review.

1. **Will advocacy matters be considered during the review?**

The review will look into the extent to which registered charities can advocate for their causes and points of view.

The intent is to improve certainty and clarity on the circumstances under which charities can advocate for causes.

1. **Will the legal structure of social enterprises be considered during the review?**

No. The Department of Internal Affairs (DIA) is undertaking other work on social enterprises, separate from the review.

1. **Who will carry out the review?**

DIA is leading the review to ensure that the Charities Act 2005 is fit for purpose.

While the regulator “Charities Services” is based in DIA, it is not running the review.

1. **Why is this not a “first principles” review?**

The review will cover substantive issues and not go back to first principles.

A first principles review is not currently needed. The fundamental aspects of the Act, such as a registration system and public access to information about charities, are sound.

A first principles review would also be costly and time-consuming.

1. **What is the Core Reference Group (CRG), and how will members be selected?**

CRG will work with DIA to help identify problems and suggest solutions.

Three members of CRG will be nominated by the Sector User Group (SUG). SUG is a 25 member group convened by Charities Services. SUG broadly represents a range of views from the charitable sector.

The three remaining members of CRG will be selected by DIA. There will be no public nomination or selection process.

The terms of reference for the review broadly outline the skills and experiences that DIA will seek in the three remaining members. These include knowledge of smaller charities and Te Ao Māori perspective.

1. **How can members of the public get involved during the review?**

Members of the public will have the opportunity to have their say later this year through a public consultation process.

1. **How will we stay informed about the progress of the review?**

Up to date information will be available at: [www.dia.govt.nz/charitiesreview](http://www.dia.govt.nz/charitiesreview)

The quarterly newsletter from Charities Services will also be used to share information at key points. Subscribe at: <https://www.charities.govt.nz/>

The opportunity for the public to contribute will be widely publicised.

1. **How are officials planning to engage with iwi and hapu, and other stakeholders?**

All stakeholders should have an opportunity to participate in a way that meets their needs. It is important that stakeholders provide the best contribution they can.

DIA is developing an engagement plan to ensure strong engagement with iwi and hapu, Pasifika, and other ethnic community stakeholders.

As more details of engagement are finalised they will be made available on our website.

1. **When will any changes be made to the legislation?**

The review might raise issues that are best addressed by changes to the Charities Act. Changes to legislation will be the final step in the review, and will be progressed following public consultation.

If a Bill is introduced to amend the Charities Act, further public submissions would usually be called for by select committee during the legislative process.

1. **What does the review mean for the charity I am involved in?**

This is a legislative review. It is about making sure the legislative settings work well for all charities.

We need charities to give feedback on how they think the current legislative system is working, and what could be done to make it better.

In the long term, we expect an easily understood and flexible Act that ensures public trust and confidence in charities, so charities can continue to make a significant difference every day throughout New Zealand.

1. **What does this review mean for the contract my charity has with government to provide services?**

The review is about making sure the legislation works well. Contracting arrangements for government services are outside the scope of the review.