



To whom it may concern,

I write on behalf of local community organisations to express our collective concern that the Government has not undertaken a comprehensive first principles review of the Charities Act, and we implore the Government reconsider this position.

This review is well overdue, having initially been promised after the Act was drafted in 2005, and was promised again as a part of the last Labour election campaign. At present, the Government has dishonoured this pledge in favour of a partial review that does not truly modernise the current legislation.

The Charities Act needs to be modernised to reflect the state of the sector today. Without a comprehensive review, the issues that the sector has experienced will not be resolved. The sector has shifted and changed since the legislation was first drafted - for example, non-profit participation in the social housing sector has grown, as have the number and breadth of social enterprises and impact organisations. A review needs to be well considered and undertaken in consultation with the sector.

Our sector is invariably under resourced and time poor, with much of our work utilising volunteers. We very rarely have additional funds or time to undertake the research necessary to advocate for ourselves. You may find the sector quiet on these kinds of issues, and that is not for a lack of interest, but a lack of untagged resourcing and expertise to be able to adequately gather the information to do this kind of advocacy justice. On this occasion, we have been well supported by the work of lawyer Sue Barker. Sue has been undertaking extensive consultation with the sector and is well-placed to speak to these issues. The recipient of NZ Law Foundation's International Research Fellowship award (Te Karahipi Rangahau ā Taiao), Sue has been undertaking extensive independent research into the question "What does a world-leading framework of charities law look like? As part of the research, she has consulted with over 200 people, internationally and in New Zealand, and has drafted a bill that would amend and restate the Charities Act 2005. As a result of this extensive research, Sue is strongly advocating for the promised First Principles Review to strengthen the sector. Her report is due in November 2021.

We are particularly proud of the role played by the community sector during the stresses of the Covid outbreak, though recognition, funding and attention has been minimal. The sector has been working tirelessly to address both practical matters and the underlying issues of inequality which have underpinned many of the problems caused by covid and its associated lockdowns. Reliant of lumpy grant funding streams rather than steady revenue, many of our organisations have not been eligible for the support of the wage subsidy, and are currently stressed to breaking point with the uncertainty of funding alongside increased community demands. With a history of just 'getting on with the job', these organisations have been too busy 'at the coalface' to put efforts into raising the profile of their own difficulties. So we would further urge the Government to put in place a targeted support package to reach organisations affected by grant funding cuts or shortfalls - perhaps through the COGS funding system or a high-trust model along the lines of the wage subsidy scheme.

As a sector, we implore the Government to honour its pre-election commitment and take the time to undertake a first principles review of the Charities Act, rather than progressing with the review in its current limited scope, to ensure growing issues are addressed. And further, we implore the Government to support the social fabric and safety net provided by community organisations working daily to address issues of inequity.

Ngāa mihi,



**Community
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He piko he kaainga

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And on behalf of the following individuals and organisations:

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