

1 November 2022

Committee Secretariat  
Social Services and Community Committee  
Parliament Buildings  
Wellington

Submitted via: [Charities Amendment Bill - New Zealand Parliament \(www.parliament.nz\)](http://www.parliament.nz)

Dear Committee Members

### **Submission from the Manawatū District Council to the Charities Amendment Bill**

Thank you for the opportunity to submit on the draft Charities Amendment Bill.

The Manawatū District Council (MDC) generally supports the proposed amendments, and in particular the following:

1. Financial reporting requirements for very small charities.
2. Clarifying the role of officers and supporting the governance of charities, subject to an amendment to section 42G, as outlined below.
3. Making explicit the currently implicit obligation for charities to remain qualified for registration.

The following paragraphs give reasons for MDC's support.

#### **Financial reporting requirements for very small charities**

MDC supports the proposal that the Bill empower the chief executive of the Department to exempt very small charities from the External Reporting Board's reporting standards. These proposed amendments will benefit several smaller charitable organisations that are registered within the Manawatū District. Often these organisations are reliant on volunteers to administer and to file the annual returns which can sometimes be a barrier for volunteers wanting to take this role on. By making this reporting simpler may remove those barriers and encourage more volunteering.

There are a number of Charitable Trusts that are established in the smaller villages of the Manawatū District that support the mahi of Council's Community Committees. There are a number of volunteers who are both members of a Charitable Trust and the Community Committee. Simplifying the reporting requirements will reduce the compliance burden on these volunteers.

#### **Requirements for officers and governance of charities**

The changes to the Charities Act give greater recognition to the role of officers, including volunteers, in charities. MDC supports the proposed amendments to the definition of "officer" and generally supports the requirement that charities review their rules document or governance procedures annually. MDC considers that these changes will support the

governance of charities that operate with volunteers, removing potential barriers to serving in specified roles. MDC agrees that the proposed changes will help to ensure that charities are meeting their charitable purpose and are complying with obligations under the Charities Act.

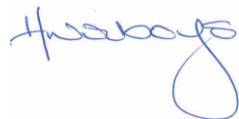
However, MDC requests that Section 42G of the draft Bill be amended so that those “very small charities” that the Chief Executive exempts from complying with section 41(2)(b) be required to review their governance procedures (whether set out in its rules or elsewhere) biennially. MDC considers that an annual review of governance procedures for these very small charities would be unnecessarily burdensome.

### **Regulatory compliance and enforcement tools**

MDC’s Community Development Policy requires that to be eligible for Community Development Funding, as well as a Rates Remission for Charitable Organisations, you must be registered as a charitable organisation in accordance with the requirements of the Charities Act. The proposal to make the requirement that charities remain qualified for registration explicit in the Bill is consistent with the eligibility criteria in MDC’s policy, and is therefore supported.

Please feel free to contact Council’s Senior Policy Advisor, Lisa Thomas (email: [Lisa.Thomas@mdc.govt.nz](mailto:Lisa.Thomas@mdc.govt.nz)) if you have any questions regarding this submission.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Helen Worboys', with a large loop at the end.

Helen Worboys  
**Mayor, JP**