**Sticking-Plaster Solution to a Problem with Charities Legislation**

Government has decided on changes to the tax regime instead of dealing with the real issue, which is a problem with the Charities Act.

The announcement that special tax provisions for charitable providers of community housing will be put through Parliament is like putting a sticking plaster on a broken leg and hoping it will go away, says Dave Henderson, Chair of the ComVoices group of community organisations and external relations manager for Hui E! Community Aotearoa.

"It's ironic that it was National Party MPs who first said there would be problems with the Charities Act, when it was put through Parliament more than 10 years ago", said Mr Henderson. "Perhaps they don't remember, but they extracted a promise from the then Labour Government that the Act would be reviewed after 5 years. Under various Ministers since then the review has been postponed, rescheduled, postponed again and then cancelled."

Now we have an acknowledgement from Ministers that some community housing providers, who have been providing valuable services for years in support of vulnerable people in our communities, within the Charities Act, may lose their charitable status because of the way that Act is being interpreted.

This government has spent large amounts of taxpayer funds on fighting charities in court about the interpretation of the Act, and now a whole lot more is being spent on public servants' and lawyers' time, and on Parliament's time, to create a fix for a situation that should have been addressed 5 years ago.

There is a continuing strong call from across the charitable sector for the Charities Act to be reviewed, but now we have to ask whether this sticking plaster approach is going to be used for Sports, for Health, Disability, etc. Does the government plan to address each sector’s problem with its own special separate piece of legislation? Why not address the real problem?

"There are some aspects of the proposal government has come up with that are positive for families that need assistance to get into suitable housing, and the Community Housing Aotearoa network has helped create those policies" said Dave Henderson. "That's great, but it does not solve the underlying issue for charities. Many other groups that also generate value for communities could also be affected."

Being registered as a charity is increasingly necessary for organisations providing support services in the community, to be able to receive philanthropic funding. If government pushes these changes through there will be significant upheaval in the finances of the organisations affected. There are risks it will undermine the banking arrangements they need to be able to build the necessary houses, and will delay the help that families need.

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