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Charities CEO's Brave New World

With 25,000 registered charitable organisations in the Charities Commission database already, is the Charities Commission serious when it suggests that organisations should split themselves, as a means of ensuring access to charitable status, questions the National Council of Women of New Zealand (NCWNZ).

“How big an empire does the Charities Commission wish to rule,” asks Elizabeth Bang, NCWNZ National President.

For some time now, NCWNZ has been hearing that there are too many NGOs and that their work can be duplicated. NGOs are typically known to be under-resourced and splitting into two bodies’ is the opposite of what many funders and Government agencies are trying to encourage, which is collaboration and amalgamation.

“A more efficient mechanism would be to catch up with the UK and accept an amendment to the Act so that Human Rights, Equality, Peace and the Environment are included as charitable purposes,” says Elizabeth Bang. “Also, the UK guidelines on advocacy and the UK testing method for public benefit need to be adopted.”

The Charities Commission process for deregistration also requires revisiting, as all NGOs facing deregistration should have the opportunity to write directly to the Board, when it becomes apparent that a recommendation from the Commission’s legal team is supporting deregistration. The Charities Commission Office needs to have suitably qualified staff who can apply the public benefit test; an assessment team which is not comprised of lawyers who are unable to make value judgements.

“First in, first served will get the benefits, but what about the rest of the groups which have not yet been reviewed, but are on the same list as we are. The larger the group, the more likely it is to sustain the division – but what about the smaller groups,” asks Elizabeth Bang. “Has the Commission factored in that the resource pool available to NGOs was already insufficient, and has been further drained by the recession.”

Often expansion is one mechanism for riding through a recession, but in this case the potential expansion is beneficial for the Commission only. For NGOs, this is division of resources to meet the needs of two bodies.

Currently the Crown, or taxpayers, top up the Charities Commission annually (2008 – 2009) with just under \$6 million dollars; a litigation fund of around \$250,000 is maintained by the Charities Commission, which is a component of the taxpayers’ fund. Groups which challenge the Commission’s decisions in the High Court are in essence funding both the Commission’s as well as their organisation’s legal team.

“Yet another question which needs answering with some guarantees made – at what point will the Charities Commission bring in a new rule requiring that Charitable Trusts do not make funding available to organisations which engage in advocacy,” says Elizabeth Bang.

“The Charities Commission does not fill the role of determining the shape, size or nature of the Community/Voluntary sector; this is determined by the sector itself, which is driven by the needs of the public. In our opinion, for many organisations, the solution put forward is as practical as the Artilleryman’s Brave New World,” concludes Elizabeth Bang.

For background information see: <http://ncwnz.org.nz/ncwnz-and-the-charities-commission/>

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