Cross-border philanthropy in New Zealand, while more focused on giving to the Pacific Islands, has an enabling environment for growth. The philanthropy community in New Zealand is quite small and close-knit; most know one another, and they are keen to collaborate. The opportunity to join a larger community for international giving will be important in fostering greater cross-border giving from New Zealand, particularly for the younger generation.

Cross-border giving from New Zealand is modest. Total giving volume grew from US$2.7 billion in 2010 to US$3.8 billion in 2018. However, philanthropic outflows in 2018 were estimated at US$94 million, or 2.5% of total giving volume.

Donors in New Zealand commonly don’t make direct donations to foreign charities due to the lack of tax incentives. Instead, most give to local chapters of international organisations, local organisations that have strong government support, and donor advised funds. Giving offshore via churches accounts for a significant portion of total overseas giving. Investment in social entrepreneurship is also growing.

Cross-border giving from New Zealand focuses on the Pacific Islands. Due to a sizeable Pasifika population in the country, many donations are driven by donors identified with Pacific ethnic groups. Much of the funding goes to environmental-related causes such as habitat preservation, climate change and wildlife. New Zealand’s Asian diaspora has significant giving potential. According to 2018 census data, 15% of New Zealand’s population identified as being of Asian descent. New Zealand has also become a popular destination for ultra-high-net-worth individuals, presenting opportunities to diversify its cross-border giving destinations.

New Zealand has a restrictive but moderately enabled regulatory environment for cross-border giving. Regulations are clear with straightforward processes, and interested donors can avail themselves of various giving mechanisms. In most cases, organisations that connect donors with overseas organisations must follow reporting requirements under the Anti-Money Laundering and Countering Financing of Terrorism Act.

Limitations on the use of funds for overseas causes under the 2007 Income Tax Act pose a barrier to international giving. To issue receipts to enable donors to claim tax credits or deductions for their donation, a charity can only use up to 25% of funds for overseas charitable purposes, unless they have “overseas done status” under Schedule 32 of the Income Tax Act. This status may be granted to international humanitarian aid organisations that work toward:

- relieving poverty, hunger, sickness, damages from war or natural disaster
- the economy of developing countries recognized by the United Nations
- raising the educational standards of a developing country recognized by the United Nations.
As such, overseas done status (and the ability to claim tax privileges for donations) may not extend to organisations focused on global health or environmental challenges or faith-based charities.

**ECOSYSTEM SUPPORT ROLE**

- **Research institutions**
  - AUT (https://www.aut.ac.nz/accounting-for-social-impact-research-group)
  - Impact Research (https://www.impactresearch.org.nz)

- **Philanthropy advisory**
  - Centre for Social Impact
  - Asia Foundation

- **Grantmaking intermediaries**
  - The Gift Trust
  - Perpetual Guardian
  - JB Were

- **Ecosystem promoter/advocacy**
  - Fundraising Institute NZ
  - Philanthropy NZ

- **Funders of infrastructure**
  - One Percent Collective
  - Bloomsbury Associates
  - The Funding Network

- **Philanthropy media**
  - Philanthropy News
  - Generosity New Zealand

There is a need to bridge the knowledge and information gap. Limited knowledge about the efficacy of cross-border giving and regulations, perceived tight restrictions around government aid funding, and a common belief that outgoing private philanthropy is heavily controlled suppresses donors’ giving desire. Development jargon also appears to create a disconnect between donors, particularly younger potential donors, and the foreign charities and communities they wish to support.

Advocacy efforts to encourage cross-border philanthropy is underway. Private actors including Philanthropy New Zealand are involved in conversations with the government to encourage philanthropic investment by increasing support for incoming migrants who are “high impact individuals”, revising current investor migrant visa conditions, and removing the maximum cap on philanthropic donations.

A platform with ground-level expertise in advising and connecting stakeholders across various administrative systems and cultures would bridge the knowledge gap, simplify the process, and provide donors with more options to pursue cross-border giving.

**INFRASTRUCTURE INDEX**

| SCORE | 2.88 |

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