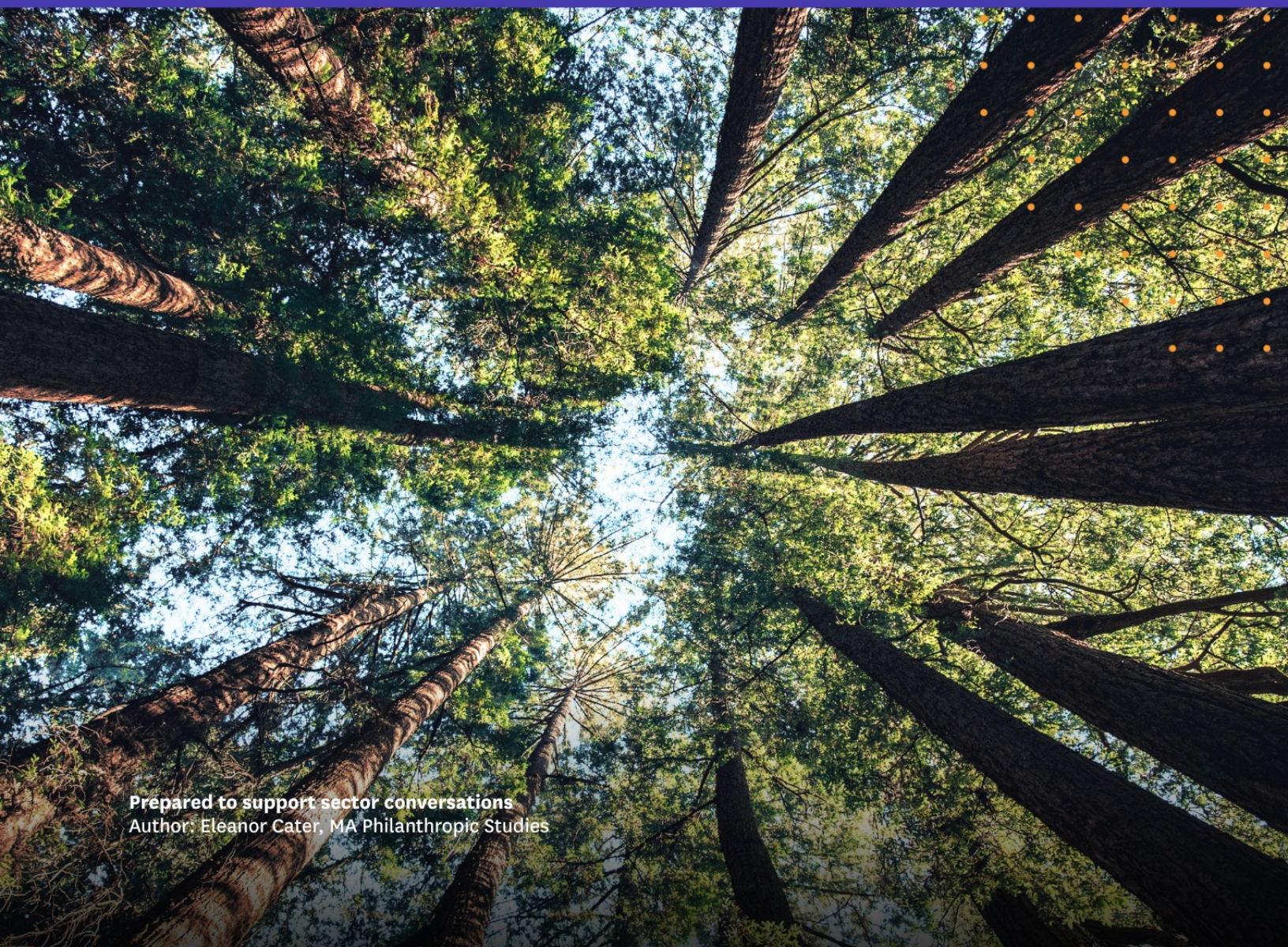
June 2026

Community Foundations of Aotearoa NZ

Hei whakakaha i ngā hāpori o Aotearoa

Creating enabling conditions for generosity to thrive

How we encourage philanthropy in New Zealand and how it compares with other nations.



Prepared to support sector conversations
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Executive Summary

Creating enabling conditions for generosity to thrive.

The news is good: New Zealand is about to experience the largest transfer of wealth in its history. Over the next 25 years $1.6 trillion will pass from one generation to the next as the baby boomers pass on and their estates are inherited. This is an extraordinary moment in time – a unique chance to shape where some of that wealth goes and what it can do for our nation's future.

Other countries have seen the wealth transfer coming and have acted. This paper looks at how five peer nations - Australia, Canada, the United Kingdom, Ireland, and Singapore - have settings in place to encourage giving and philanthropy, and how New Zealand stacks up.

The short answer is, not well.

New Zealand's main tool for encouraging giving is a tax credit that gives donors back 33 cents for every dollar donated[1]. It's a decent incentive, but it only applies to cash. You can't donate shares, a heritage painting, or a piece of land and get any special benefit. There's no incentive for leaving a gift to charity in your will. And there's no government programme to help important artworks or cultural objects find their way into public collections through philanthropy. Every other country in this review has at least some of these tools. New Zealand has none of them.

Then came Budget 2026, which capped the tax credit at $100,000 worth of donations per year, which research tells us is likely to change high value donor behaviour. The other five countries reviewed here are moving in the opposite direction, making it easier and more rewarding to give, not harder. New Zealand chose this moment to tighten things up.

Governments incentivise philanthropy for good reasons and international evidence of incentives dates to Victorian times. When people donate to a cause they're directing money toward public benefit, toward hospitals, arts organisations, environmental trusts, food banks, community foundations. Taxing that act as if it were personal income doesn't make sense. It also ignores the evidence: international research consistently finds that well-designed tax incentives genuinely increase giving, and that the donors most likely to respond to those incentives are precisely the large-scale givers that the Budget 2026 cap will now discourage.

This report recommends that New Zealand develop a ten-year National Philanthropy Strategy in partnership with the sector, remove the $100,000 cap, consider introducing tax benefits for donating shares, property, and cultural heritage items, create a meaningful incentive for charitable bequests and fix the digital and administrative barriers that are providing an obstacle to Kiwis who want to do genuine good.

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[1] Up to the level of your total taxable income. Source: IRD website - https://www.ird.govt.nz/income-tax/income-tax-for-individuals/individual-tax-credits/donation-tax-credits

A debate that stretches far beyond tax

This is a debate that stretches far beyond tax settings; it speaks to who we are as a nation and what we want to become. When Governments apply a lens of 'tax expenditure' and measure just the cost - and fail to acknowledge the benefits of a well-resourced community sector and the social cohesion it creates - they are failing to recognize the potential of public-private partnerships. And, when politicians and media frame philanthropy - which almost always stems from a deep personal place - as a loophole or a tax dodge, it invites suspicion into one of the few spaces where people act from intrinsic values. It erodes, slowly and invisibly, the trust that makes large-scale and voluntary giving happen at all.

International evidence tells us, where giving is visible and socially reinforced, generosity is nearly three times higher[2]. This is one of the findings from the 2026 World Giving Report, which finds that government leadership is key – people who said their government encourages giving are more generous, more likely to donate to charity, and more likely to have high trust in charities[3]. .

The latest stats are not good. The 2026 World Giving Report also ranks New Zealand 70th – yes, *seventieth* - for giving in the world[4] and, as we continue to slip in the rankings, there is recent research that shows that we are also, increasingly, relying on fewer donors and larger donations[5].

So why would we cut the few big givers we have off at the knees?

Nurturing a culture of giving isn't a passive act, it's an action**.** We have to do things differently if we are to purposefully nurture our giving culture – and we have to get beyond seeing giving incentives as 'tax expenditure'. There is plenty of evidence from overseas to draw upon to help us develop strategies to develop our giving culture, and I attempt to outline some of these in this white paper.

The wealth transfer is already underway. The window is narrow to build the policies, infrastructure and the positive narratives that will steer a percentage of it towards public good. What's needed now is strategy and political leadership that will create these enabling conditions for philanthropy to thrive.

Eleanor Cater
MA Philanthropic Studies
June 2026

In this white paper, New Zealand stands out among five comparative countries – Australia, UK, Canada, Ireland and Singapore - as the only country which does not have a cultural gifts programme, bequest incentives, incentives for donating shares or property, or a national philanthropy strategy. And - following Budget 2026- the only country actively restricting major gift incentives at the precise moment the global wealth transfer is accelerating.

This generation is kaitiaki for the next; New Zealand must look at maturing international practices, research and evidence to make the most of the opportunities ahead.

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[2] *World Giving report (2026). Available at: https://www.worldgivingreport.org/*
[3] *World Giving Report (2026). Available at: https://www.worldgivingreport.org/donor-insights*
[4] *World Giving Report (2026). Measured on total donations as a percentage of income - Available at: https://www.worldgivingreport.org/explore-the-data*
[5] *The Benchmarking Project 2025 – New Zealand report.*

1. Context: the intergenerational wealth transfer

New Zealand is at the threshold of an unprecedented intergenerational wealth transfer. As the baby boomer generation passes on $1.6 trillion will change hands by 2050[6].

Baby boomers hold roughly 60% of New Zealand's total household wealth, much of it locked in residential property. As this generation ages and begins transferring wealth, the decisions made now in tax settings, philanthropic infrastructure, and policy signals will shape whether that capital flows into community benefit or simply concentrates wealth further for generations to come.

Every other country reviewed in this report has recognised this moment in time and responded with positive policy settings to encourage philanthropy for broad societal benefit, working in partnership with government to achieve positive social outcomes.

New Zealand is a young nation with an underdeveloped philanthropy sector. This is both a challenge and an opportunity: there is real room to build philanthropic culture and infrastructure at precisely the moment that significant capital is in motion. The question is whether Government policy settings will help or hinder that process.

> *Philanthropic giving by those at higher levels of wealth can play a unique and valuable role in supporting the charitable sector. It is therefore critically important - particularly at a time when we stand on the cusp of the largest intergenerational wealth transfer in human history - that governments don't introduce policies which unintentionally stifle philanthropy.*
> Rhodri Davies, Why Philanthropy Matters, 2026

2. Context: the IRD tax review

Firstly, it's important to state that this debate about the tax credit on donations is not solely a tax debate, it's fundamentally about developing policy that supports a thriving community and charity sector. It's a way to encourage New Zealanders to work in partnership with government to create a well-resourced sector, and it happens to use tax as a lever to achieve this.

That said, Inland Revenue leads the analysis and their Regulatory Impact Statement (RIS)[7], which provides context around the decision to cap the tax credit, states that *"the wider (and indirect) impact on the charitable and voluntary sector from the preferred option is also not known".* Narrowly viewing changes as a cost saving, without considering the wider impact and economic modeling, seems very poor policy development. *Is this a live experiment of epic proportions?*

The RIS also claims that the tax credit *"can be misused for aggressive tax planning"*, with no evidence provided of this behaviour. There have been strong and widespread calls to deal with any 'bad actors'

[6] *JBWere Bequest Report (2025). Available at: https://www.jbwere.co.nz/news-and-insights/the-bequest-report-2025*
[7] *Regulatory Impact Statement: Taxation and the not-for-profit sector: changing donation tax credit settings* - IRD 12 May 2026

through the regulatory framework of Charities Services[8] [9] [10], clarifying and enforcing the fiduciary duties that already apply to every registered charity, instead of punishing the entire charity sector through the tax credit lever. *Has this policy – capping the donation tax credit – just applied a sledgehammer to a locksmith's job?*

A flawed Regulatory Impact Statement

Inland Revenue's Regulatory Impact Statement[11] states that *"the donation tax credit did not appear to be an effective tool for encouraging additional donations".* This conclusion references very selective studies - in particular one New Zealand study (Cruikshank 2022[12]), research which measured donor behaviour near the $2,000 pre-2009 tax credit ceiling[13].

This study did not look at the behaviour of high value donors, which are the exact donors that this tax credit cap targets - and international evidence shows are most likely to respond. As New Zealand economist Shamubeel Eaqub writes[14]: *"This [Cruikshank 2022] study says nothing about $100k donors, and the studies it cites suggest large donors are the most responsive of all. We're capping the credit for the group most likely to change behaviour, on evidence drawn from a different group."*

New Zealand research is very limited so we can learn much from international evidence. Further analysis has been provided by John Godfrey (PhD)[15] who suggests that officials should have spread their net wider, as there is plenty of international evidence that finds tax incentives are effective in stimulating philanthropy. One of the studies Godfrey cites is Salmon (2024)[16], a study of 52 international research papers which reports significant 'elasticity' in tax benefits for charitable giving.

> *"A powerful positive effect emerges: for every 1 percent increase in the tax benefit, charitable donations experience a statistically significant 1.3 percent boost"*
> – Salmon 2024

Recent New Zealand analysis of research by William McInerney (PhD) also concludes that the effect on donor behaviour of this tax credit cap is unknown and that removing incentives likely will reduce charitable giving[17]. Further research of note includes Clochard et al (2025)[18], who analysed 31 studies

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[8] *10 Budget tax changes for charities and where to from here, Sue Barker Charities Law (2026) - Available at: https://www.linkedin.com/pulse/10-budget-tax-changes-charities-where-from-here-susan-barker-jv5ge/*

[9] *Charities, donation caps and the missing analysis, Chevalier-Watts J. and Moe S. (2026) - Available at: https://www.parryfield.com/charities-funding-and-donations/*

[10] *The 2020 OECD report advises that the majority of anti-abuse policies are in the form of regulation and transparency and reporting requirements - OECD (2020), Taxation and Philanthropy, OECD Tax Policy Studies, No. 27, OECD Publishing, Paris*

[11] *Regulatory Impact Statement: Taxation and the not-for-profit sector: changing donation tax credit settings* - IRD 12 May 2026

[12] *Elasticity of reported donations: bunching evidence from New Zealand (Cruikshank, A. 2022), Victoria University of Wellington.*

[13] *The fixed NZ$1,500 ceiling for donations eligible for tax credits was increased to NZ$1,890 in 2003, and then removed in 2009. From 2009 donation amounts up to an individual's annual taxable income became eligible for tax credits.*

[14] *Source: via email – shared with permission.*

[15] *Taxing giving – why the NZ cap is bad policy, Godfrey J. (2026). Available at: https://johngodfreyassoc.com/blogs/f/taxing-generosity-%E2%80%93-why-the-nz-cap-is-bad-policy*

[16] *How Tax Policy Affects Charitable Giving, Salmon J. (2024). Available at: https://prt-cdn.philanthropyroundtable.org/wp-content/uploads/2025/05/09032250/Tax_Elasticity_Paper.pdf*

[17] *JBWere Donation Tax Credit Cap FAQs (2026). Available at: https://www.jbwere.co.nz/assets/Philanthropic-Services/JBWere-DTC-Cap-FAQs-12-06-26.pdf*

[18] *Revisiting the Price Elasticity of Charitable Giving: Meta Analysis of Tax Incentives and Matching Donations. Clochard G., Dey S. and Sasaki S. (2025). Available at: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=5851222* .

and found that charitable giving is highly price-responsive; and CFANZ/BERL (2026)[19]Scharf & Smith (2010)[20] and Smith (2012)[21] who found that donors at higher levels are more responsive to incentives. While international studies differ in their findings, and tax credits, deductions and matches show differing human responses, there is clear consensus from research across the world that tax incentives remain powerful tools which substantially encourage higher levels of philanthropic giving.

(For those interested, economists explain these shifts in behaviour as 'people buy less of something when the price goes up', including making philanthropic donations.[22] Another research finding is that 'bunching' behaviour is known to occur at policy thresholds[23], which may mean in the New Zealand context that donations might be limited to $100k – when their potential could be much higher – end of economist-speak).

In short, humans respond to monetary encouragement and government acknowledgement of the importance of their contribution, and tax credits are mostly seen as an important incentive to give for the public good. Further, the government gets to leverage private capital two to one – which seems an exceptionally good deal for 'New Zealand Inc.'

> *"All governments should commit to encouraging giving and have a clear agenda for how they intend to do so"* - Donation States – an international comparison of the tax treatment of donations – Charities Aid Foundation 2016.

The tax credit uptake problem – what 2026 New Zealand research says

Community Foundations of Aotearoa NZ's own 2026 research *Giving in Aotearoa NZ*[24] reveals what is a significant and underappreciated problem with the existing tax credit scheme: administrative friction is suppressing uptake across the population[25]. While 90% of New Zealanders in this study were aware of the 33% tax credit, only 52% claim it. This rises to 65% for those in higher income brackets.

For those who do not claim, the most common reasons were that the process was too hard or required too much effort (41.6%), they did not keep receipts (28.9%) and around 20% said they did not know how. Only 24% said that they preferred not to claim it, suggesting that, if the system was operating optimally, New Zealanders would be highly responsive to the tax credit on donations. A streamlined digital claims process - leveraging myIR or payroll integration - could materially increase

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[19] *New Zealand's Tax Credit Problem, Community Foundations of Aotearoa NZ (2026). Available at: https://communityfoundations.org.nz/latest-news/new-zealands-tax-credit-problem*

[20] *The price elasticity of charitable giving: does the form of tax relief matter? Scharf, K and Smith, S. (2010).*

[21] *Increasing charitable giving: what can we learn from economics? Smith, S. (2012) Fiscal Studies, December 2012, Vol. 33 No.4, published by Wiley.*

[22] *The charitable donation and price elasticity, Merrill J (2011). Available at: https://philanthropydaily.com/the-charitable-deduction-and-price-elasticity/*

[23] *Ready, set, bunch! Bachas P., Kondylis F. and Loeser J. (2021) - Available at: https://blogs.worldbank.org/en/impactevaluations/ready-set-bunch*

[24] *Giving in Aotearoa NZ* research – a study of New Zealanders giving behaviours, motivations and barriers – led by Community Foundations of Aotearoa NZ and BERL - the full report is due to be released in October 2026.

[25] *New Zealand's Tax Credit Problem, Community Foundations of Aotearoa NZ (2026). Available at: https://communityfoundations.org.nz/latest-news/new-zealands-tax-credit-problem*

responsiveness and charitable revenue and it would produce more equitable outcomes across income groups.

This research suggests that 'elasticity' (or responsiveness to the tax credit) is likely not the issue at all: the paperwork is. International evidence backs this up: complexities in the claim process are known to limit donor responsiveness[26].

3. Why do Governments offer tax incentives for philanthropy?

> *"Philanthropy plays an important role in most countries, providing support for a wide range of initiatives in support of the public good. This differentiates the sector from government (i.e. public action for the public good) and profit-based (i.e. private action for the private good). Most Governments provide some form of preferential tax treatment for philanthropy."*
> - OECD (2020), Taxation and Philanthropy, OECD Publishing, Paris

Tax relief for charitable activity dates back almost 200 years; in the UK individuals were able to get income tax relief on their donations from 1842[27]. In the New Zealand context, the Holyoake National Government in 1962 allowed a deduction up to a maximum of £25 per annum for approved organisations[28] and uncapped concessions were allowed through the Income Tax Act of 2007, among changes *"aimed at facilitating greater giving to charities and other non-profit organisations and encouraging a culture of generosity in New Zealand[29]".*

Before comparing what different countries do today, it's worth asking a more basic question: why do Governments encourage philanthropy through the tax system at all? There are three good answers to that question, and they all point in the same direction.

Stanford University's Professor Rob Reich identifies three distinct reasons, each resting on a different underlying argument[30].

1. Tax based rationale - *"It was never the Government's money to begin with"*

When you earn money and spend it on yourself, it makes sense that you pay tax on it. But when you give money away to a charity, you're not spending it on yourself, you're directing it for public benefit. So, should the Government really tax that? The argument here is that donation tax relief isn't a special favour or a loophole. It's simply recognising that money given away to charity shouldn't be treated the same as money kept in your pocket.

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[26] *Donation States – an international comparison of the tax treatment of donations – Charities Aid Foundation 2016*

[27] *Public Good by Private Means, How Philanthropy Shapes Britain, Davies R. (2015).*

[28] *The History of Charitable Purpose Tax Concessions in New Zealand: Part 1, Gousmett M. (2013).*

[29] *Greater tax incentives for charitable donations, IRD Website. Available at: https://www.taxtechnical.ird.govt.nz/new-legislation/act-articles/other-policy-matters/greater-tax-incentives-for-charitable-donations*

[30] *Public Good by Private Means, How Philanthropy Shapes Britain, Davies R. (2015), drawing on the work of Rob Reich, Stanford University.*

This puts the Budget 2026's new cap in a different light - a donor who gives $500,000 to charity next year will now be taxed as if they *kept* $400,000 of it, even though they gave every cent of it away.

2. Subsidy rationale - *"Donors often spend it better than the Government would"*

Governments collect taxes to fund hospitals, schools, arts organisations, food banks, and community services. Charities fund exactly the same things. The difference is that a local donor often knows their community's needs more intimately than a government agency does, can respond more quickly, and can take risks that public spending can't.

On this view, every dollar of donation relief isn't a cost, it's an investment. The Government is effectively saying: *"We trust you to direct this money toward public good, so we won't tax it."* If that system works, society gets better outcomes than it would if the Government collected the tax and spent it itself.

This matters when thinking about the Budget 2026 cap. The 350 donors it affects are, by definition, the biggest givers in the country - people funding arts organisations, community projects, hospices, universities, and environmental causes. The Government will save roughly $19 million a year[31]. But if those donors reduce their giving as a result, the services that don't get funded may ultimately cost the Government more than it saved.

3. Pluralism rationale - *"A healthy society needs a thriving charitable sector"*

The third argument is all about what it means to be human and live in a supportive society. When people donate, volunteer, and support charities, they're not just funding services, they're taking part in community life, building the kind of civic fabric that makes a society hold together. Charities, community groups, and foundations are the spaces between individuals and the state where connection, trust, and shared values are built and maintained. This is particularly important at this moment in time as research tells us that New Zealand's social cohesion continues to decline at pace[32].

In terms of forms of incentives, tax credits are acknowledged as the most progressive model for incentivising giving.[33], though research also suggests that they may be less effective in encouraging charitable giving than UK Gift Aid style 'matches'[34].

A government that supports philanthropy isn't just being financially efficient, it's investing in the kind of society it wants to create.

> *"Offering tax reliefs on charitable donations is a crucial way for any government to demonstrate that it recognises and values the importance of a healthy civil society sector. The work of charities and non-profit organisations would be impossible without the support of the public, and by offering incentives for giving governments can help nourish and strengthen this vital bond."*
> Rhodri Davies, Why Philanthropy Matters, 2026

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[31] *Regulatory Impact Statement: Taxation and the not-for-profit sector: changing donation tax credit settings* - IRD 12 May 2026
[32] *Social Cohesion in New Zealand, Helen Clark Foundation, Eaqub S., Collins R., Knights C., Baxter I. and Martson T. (2026). Available at: https://www.helenclark.foundation/research/social-cohesion-in-new-zealand-2026*
[33] *Donation States – an international comparison of the tax treatment of donations – Charities Aid Foundation 2016*
[34] *The price elasticity of charitable giving: does the form of tax relief matter? Scharf, K and Smith, S. (2010).*

What does this mean for New Zealand?

All three of these rationales point to the same conclusion: tax incentives for giving aren't a handout to the wealthy or a budget line that can be quietly trimmed. They're either a correction to the tax system, an investment in social value, or a building block of society - and arguably all three at once.

International research backs this up. The CAF World Giving Report[35] finds that, in this part of the world, tax incentives are the single most recognised way that governments signal their support for charitable giving. And globally, people who believe their government actively encourages giving are far more likely to donate, to give more, to trust charities, and to support a wider range of causes. International evidence, none of which appears in the IRS.

The question for New Zealand isn't whether to have these incentives. It's whether ours are generous enough, and broad enough, to do the job - especially right now, when the largest wealth transfer in our history is already underway.

So, let's take a look at what this means for New Zealand.

4. New Zealand

Cash donations - individuals

New Zealand operates a refundable donation tax credit of 33.33% (one-third) of the donation amount[36]. The credit is claimed by the donor and refunded directly by Inland Revenue after year-end. Payroll giving allows an immediate credit offset.

- Minimum donation: $5 per receipt
- Annual cap (from 1 April 2027): the lower of $100,000 or the donor's taxable income
- Maximum credit (from 1 April 2027): $33,333 per year
- Carry-back: none - credit claimed in the year donated (within 4 years)

Prior to Budget 2026, the scheme was uncapped (limited only by the donor's taxable income). The cap, targeting roughly 350 donors (0.1% of all claimants), affects donors whose contributions represent approximately 10% of total donated amounts - around $103 million annually.

Cash donations – companies and Māori Authorities

Companies and Māori authorities may deduct charitable donations as a business expense up to 100% of their taxable income[37]. There is no minimum donation threshold.

Gifts of shares and listed securities

New Zealand has no specific positive incentive for donating shares - the 33.33% credit applies only to cash gifts. A donor gifting appreciated shares receives no tax benefit beyond that which would apply to

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[35] *World Giving Report (2026). Available at: https://www.worldgivingreport.org/donor-insights*
[36] *Donation Tax Credits, IRD website. Available at: https://www.ird.govt.nz/income-tax/income-tax-for-individuals/individual-tax-credits/donation-tax-credits*
[37] *Donations – the often-forgotten tax benefit, Deloitte NZ, Scatchard A. and Beamish R (2024). Available at: https://www.deloitte.com/nz/en/services/tax/perspectives/donations-and-the-often-forgotten-tax-benefit.html*

a cash donation of equivalent face value, and there is no mechanism to donate shares directly and claim credit on their market value.

The absence of Capital Gains Tax (CGT) in New Zealand is a double-edged sword for philanthropy. While donors face no CGT friction on disposing of appreciated assets, there is also no incentive structure to direct that disposal toward charitable purposes rather than private sale. New Zealand has not built the positive incentive that other countries have built to use CGT exemptions.

Gifts of property

As with shares, no CGT means no specific tax friction - but also no specific incentive. The donation tax credit applies to cash only. This is a significant gap relative to Australia and Canada, where donated property to approved recipients qualifies for full market-value deductions and CGT exemption.

Cultural and heritage Items

New Zealand has no equivalent to Australia's Cultural Gifts Programme, Canada's certified cultural property regime, or the UK's Acceptance in Lieu and Cultural Gifts Scheme. There is no formal mechanism by which a donor can donate a work of art, manuscript, taonga, or heritage collection to a public institution and receive a tax benefit reflecting its market value. The owners of taonga, significant artworks, archives, or historic collections have no incentives to donate these to public institutions - unlike their counterparts in every other country reviewed here.

Bequests and estate giving

New Zealand has no estate duty, inheritance tax, or death duties. This removes the primary policy lever used in the UK (IHT exemption) and Ireland (CAT exemption) to incentivise charitable bequests. In New Zealand, the philanthropic choice carries no differential tax benefit over leaving wealth to family.

National philanthropy strategy

New Zealand has no national philanthropy strategy, no formal government inquiry into growing giving, and no dedicated cross-sector programme equivalent to those operating in Australia, England, Ireland, or Singapore.

The current coalition Government, led by the Minister of the Community and Voluntary Sector, has signaled an interest in growing philanthropy, however has not to date committed to any infrastructure, expenditure or policy frameworks to support this.

5. Australia

Cash donations - individuals

Australia provides a tax deduction for donations to Deductible Gift Recipients (DGRs)[38]. The deduction reduces taxable income at the donor's marginal rate - meaning a 47% top-rate taxpayer saves $0.47

[38] *Gifts and donations, Australian Government website. Available at: https://www.ato.gov.au/individuals-and-families/income-deductions-offsets-and-records/deductions-you-can-claim/gifts-and-donations*

for every dollar donated. There is no cap on the dollar amount, subject to the 75% of net income annual limit.

- Minimum donation: $2
- No upper dollar cap
- Deductible at marginal rate (up to 47%)
- Unused deductions can be spread over up to 5 years for property/share gifts

Gifts of shares and listed securities

Donors who give listed shares directly to a DGR receive a full income tax deduction at market value, full CGT exemption, and the ability to spread the deduction over up to five income years[39] - making direct share donation substantially more tax-efficient than selling shares and donating the proceeds.

Cultural and heritage gift programmes

Australia's Cultural Gifts Programme allows donors to give items of cultural significance to approved public collecting institutions and receive a full income tax deduction at independently assessed market value, full CGT exemption, and the ability to spread the deduction over five years[40]. Eligible items include visual and decorative arts, Indigenous cultural artefacts, manuscripts, personal papers, social history and scientific collections, jewellery, ceramics, and archival material. Deductions can be claimed for gifts of outstanding natural, Indigenous, historic heritage or cultural significance[41]

Bequests

Australia does not provide a specific additional tax benefit for charitable bequests. The Productivity Commission's 2023–24 review specifically recommended action on superannuation bequests - noting that superannuation, the largest pool of private savings in Australia, lacks a straightforward mechanism for directing gifts to charity.

National Strategy: *A Strategy to Double Giving by 2030* and the Australian Government's response

Australia has both a sector-led strategy and a formal government response - a two-tier approach.

In 2023, Philanthropy Australia published *A Strategy to Double Giving by 2030*[42], submitted to the Productivity Commission as part of its major inquiry. Key recommendations include creating a policy environment that actively fosters giving, reforming superannuation bequests, extending DGR status to more organisations, growing community foundations as key philanthropic infrastructure, encouraging legacy giving and social impact investing, launching a national giving campaign, and coordinating actions across government, charity, philanthropic, and business sectors.

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[39] *Gift types, requirements and valuation rules, Australian Government website. Available at: https://www.ato.gov.au/businesses-and-organisations/not-for-profit-organisations/gifts-and-fundraising/tax-deductible-donations/gift-types-requirements-and-valuation-rules*
[40] *Donating under the Cultural Gifts Program, Australian Government website. Available at: https://www.ato.gov.au/businesses-and-organisations/not-for-profit-organisations/gifts-and-fundraising/tax-deductible-donations/gift-types-requirements-and-valuation-rules/donating-under-the-cultural-gifts-program*
[41] *Heritage gifts, Australian Government website. Available at: https://www.ato.gov.au/businesses-and-organisations/not-for-profit-organisations/gifts-and-fundraising/tax-deductible-donations/gift-types-requirements-and-valuation-rules/heritage-gifts*
[42] *A Strategy to Double Giving by 2030, Philanthropy Australia (2023). Available at: https://www.philanthropy.org.au/about-us/publications/a-strategy-to-double-givingby-2030/*

In May 2024, the Australian Government published *Future Foundations for Giving*[43], a formal response to the Productivity Commission's inquiry. The Government acknowledged its own role in supporting the growth of giving and committed to overhauling the DGR status system, improving access to philanthropy for Aboriginal and Torres Strait Islander peoples, reforming charity regulatory frameworks to build public trust, reviewing minimum distribution requirements from Private Ancillary Funds, and improving public data about charities and giving.

6. Canada

Cash donations - individuals

Canada's donation tax credit operates at both federal and provincial levels[44]. The credit is 15% on the first $200, 29% above $200 for most donors, and 33% above $200 for donors with taxable income in the top federal bracket. The combined federal-plus-provincial rate ranges from roughly 40% to over 53% depending on province and income.

Gifts of shares and listed securities

When a donor donates publicly listed securities directly to a registered charity, the capital gain is completely exempt from income tax[45], the donor receives a tax receipt for the full fair market value, and the credit can be carried forward for up to five years.

Ecological Gifts

Canada's Ecological Gifts Programme[46] enables donors to give ecologically sensitive land to approved conservation organisations, receiving a full income tax deduction up to 100% of net income, full CGT exemption, and carry-forward of up to 10 years.

Certified Cultural Property

Donations of objects certified by the Canadian Cultural Property Export Review Board as being of outstanding significance receive a full income tax deduction up to 100% of net income, complete elimination of the capital gain, and a five-year carry-forward[47]. This directly incentivises owners of significant cultural objects - artworks, Indigenous heritage items, archival materials - to donate to public institutions rather than sell or export.

Bequests and estate giving

Canada's treatment of charitable bequests is the most generous of the six countries reviewed. The donation tax credit can be claimed against 100% of the deceased's net income in the year of death,

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[43] *Philanthropy: Future Foundations for Giving Inquiry Report, Australian Government Productivity Commission (2024). Available at: https://www.pc.gov.au/inquiries-and-research/philanthropy/report/*

[44] *Donations and gifts, Government of Canada website. Available at: https://www.canada.ca/en/revenue-agency/services/tax/individuals/topics/about-your-tax-return/tax-return/completing-a-tax-return/deductions-credits-expenses/line-34900-donations-gifts.html*

[45] *Gifts of shares, stock options, and other capital property, Government of Canada website. Available at: https://www.canada.ca/en/revenue-agency/services/tax/individuals/topics/about-your-tax-return/tax-return/completing-a-tax-return/personal-income/line-12700-capital-gains/gifts-shares-stock-options-other-capital-property.html*

[46] *Ibid*

[47] *Ibid*

and if the credit exceeds the tax in that year, it can be carried back to the previous tax year- creating a strong financial incentive to leave charitable gifts in wills[48].

Policy

Canada has no formal national philanthropy strategy, but the combination of its graduated tax credit rate, CGT-exempt share giving, ecological gifts programme, certified cultural property regime, and favourable bequest settings creates a comprehensive fiscal architecture for philanthropy clearly designed to maximise the diversion of private wealth toward public benefit.

7. United Kingdom

Gift Aid – cash donations

The UK's Gift Aid[49] flows primarily to the charity, not the donor. When a donor gives £100 and opts into Gift Aid, the charity reclaims basic-rate tax (20%) from HMRC, receiving £125 in total. Higher-rate (40%) and additional-rate (45%) taxpayers then claim the difference personally via self-assessment:

- Basic rate (20%) taxpayer: effective cost of a £100 gift = £100
- Higher rate (40%) taxpayer: effective cost = £75
- Additional rate (45%) taxpayer: effective cost = £68.75

This tiered structure provides substantially greater incentives to high-wealth donors than New Zealand's flat 33% credit.

For example: If donors donate £100 to charity - they claim Gift Aid to make their donation £125. You pay 40% tax so donors can personally claim back £25.00 (£125 x 20%).

> Notably, in 2012 the UK Government proposed changes to taxation on charitable giving including a cap of £50,000, or 25% of a person's income if that was higher. After an uproar from the charity sector and major donors, the chancellor backtracked, conceding: *"We got it wrong. So I thought it much better to say that we just won't do it"* – Chancellor George Osborne, 2013.
>
> Source: BBC News *George Osborne: We got it wrong on charity tax*. Available at: https://www.bbc.com/news/uk-politics-18350931

Gifts of shares and listed securities

Donating shares to UK charities provides full CGT exemption and income tax relief at the donor's marginal rate on the full market value[50]. For high-income donors with significant unrealised gains, this combination can be enormously valuable.

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[48] *Gits and Income Tax, Canada Revenue Agency website (2025). Available at: https://www.canada.ca/content/dam/cra-arc/formspubs/pub/p113/p113-25e.pdf*

[49] *Tax relief when you donate to a charity, UK Government website. Available at: https://www.gov.uk/donating-to-charity/gift-aid*

[50] *Donating land, property or shares, UK Government website. Available at: https://www.gov.uk/donating-to-charity/donating-land-property-or-shares*

Inheritance tax exemption and bequests

The UK levies Inheritance Tax (IHT) at 40% on estates above the nil-rate band. There's normally no Inheritance Tax to pay if either: the value of the estate is below the £325,000 threshold or if you leave everything above the £325,000 threshold to your spouse, civil partner, a charity or a community amateur sports club

Charitable bequests are fully IHT-exempt. If a deceased leaves at least 10% of their net estate to charity, the IHT rate on the remainder reduces from 40% to 36, creating an incentive. The standard Inheritance Tax (40%) is only charged on the part of your estate that's above the threshold.

Example[51]: Your estate is worth £500,000 and your tax-free threshold is £325,000. The Inheritance Tax charged will be 40% of £175,000 (£500,000 minus £325,000).

Acceptance in Lieu and Cultural Gifts Schemes

The UK's Acceptance in Lieu (AiL) scheme[52] allows estates to satisfy IHT liabilities by transferring heritage assets to the nation in lieu of cash payment. The companion Cultural Gifts Scheme offers tax reductions for donating heritage objects to public institutions.

England Focused Strategy: Our Place to Give (2026)

Published in April 2026 by the UK Department for Culture, Media and Sport, *Our Place to Give: A Plan for Growing Place-Based Philanthropy*[53] is the result of significant sector advocacy over decades. It is built around three core pillars:

- **Connecting philanthropy with place** - addressing regional inequities in philanthropic investment, ensuring communities outside London and major cities benefit
- **Establishing better philanthropic partnerships -** formalising government-philanthropy collaboration and co-investment frameworks
- **Unlocking further philanthropic investment** - embedding philanthropic advice in the financial services sector and building a stronger culture of giving across society

This England wide focused strategy is notable for its place-based focus, explicitly recognising that philanthropic capital tends to concentrate in wealthy urban areas and that policy design needs to address geographic equity. It also emphasises the financial services sector as a key lever in enabling philanthropy to flow.

[51] *How inheritance tax works: thresholds, rules and allowances, UK Government website. Available at: https://www.gov.uk/inheritance-tax*
[52] *Available at: https://www.artscouncil.org.uk/supporting-arts-museums-and-libraries/supporting-collections-and-cultural-property/acceptance-lieu*
[53] *Acceptance in Lieu, Arts Council England website. Available at: https://www.gov.uk/government/publications/our-place-to-give-a-plan-for-growing-place-based-philanthropy/our-place-to-give-a-plan-for-growing-place-based-philanthropy*

8. Ireland

Charitable Donation Scheme (CHY) - individuals

Ireland's CHY scheme flows entirely to the charity[54]. The charity grosses up the donation at the specified rate of 31%, reclaiming tax from Revenue. A €250 donation (the minimum) is therefore worth approximately €362 to the charity. The individual donor receives no personal tax deduction or credit.

Cash donations - companies

Corporate donations of €250 or more are treated as a deductible trading expense[55]. At Ireland's 12.5% corporate tax rate, the absolute saving is modest compared with higher-rate countries, but the mechanism is clean and immediate.

Approved sporting bodies

From 2025, donors to approved sporting body projects can choose whether the tax relief flows to the sports body or to the donor personally - the only area where individual donors in Ireland can receive personal tax relief on a charitable-type donation.

Heritage property donation

Donors who transfer a heritage property to an approved organisation can claim a tax credit equal to 80% of its market value[56]. Donors can offset the tax credit they are due from the donation against income tax, corporation tax, capital gains tax or capital acquisitions tax.

Capital acquisitions tax and bequests

Ireland levies Capital Acquisitions Tax (CAT) at 33% on gifts and inheritances above group thresholds. Charitable bequests are fully CAT-exempt[57], creating a meaningful differential between leaving assets to charity or including in inheritance.

National Strategy: National Philanthropy Policy 2024–2028

Ireland's National Philanthropy Policy[58], published in 2024, is the most explicitly strategic intervention of the countries reviewed. Crucially, it was sparked by the community sector - Philanthropy Ireland - who advocated for government engagement before the Government responded with a formal five-year policy framework. Its five strands are:

- Communications and awareness raising
- Data and research on philanthropic trends and giving behaviours
- Incentivising giving through fiscal measures and professional adviser practice

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[54] Charitable donation scheme, Irish Tax and Customs website. Available at: https://www.revenue.ie/en/companies-and-charities/charities-and-sports-bodies/charitable-donation-scheme/index.aspx
[55] Charitable donation scheme, Irish Tax and Customs website. Available at: https://www.revenue.ie/en/companies-and-charities/charities-and-sports-bodies/charitable-donation-scheme/index.aspx
[56] Donation of heritage items, Irish Tax and Customs website. Available at: https://www.revenue.ie/en/personal-tax-credits-reliefs-and-exemptions/donations-and-covenants/donations-of-heritage-items/index.aspx
[57] Exemptions for charities, Irish Tax and Customs website. Available at: https://www.revenue.ie/en/gains-gifts-and-inheritance/cat-exemptions/charities/index.aspx
[58] National Philanthropy policy 2024-2028, Government of Ireland website. Available at: https://www.gov.ie/en/department-of-rural-and-community-development-and-the-gaeltacht/policy-information/national-philanthropy-policy-2024-2028/

- Developing partnerships with the philanthropy sector
- Capacity building for philanthropic structures

The Irish model is instructive for New Zealand in two respects. First, the strategy was community-sector-led before it became government policy, demonstrating that sector advocacy can catalyse a national response. Second, the explicit commitment to reviewing fiscal measures as part of the strategy means Ireland's tax incentives are likely to improve over the life of the policy.

9. Singapore

Overview

Singapore's reforms are instructive as an example of a government deploying fiscal and non-fiscal levers in a coordinated and ambitious way to grow philanthropic culture.

Tax incentives

Singapore offers an extraordinary 250% tax deduction for qualifying donations[59] - meaning a donor who gives S$1,000 receives a tax deduction of S$2,500. This is among the most generous donation tax incentives in the world on a multiplier basis. The Government has also committed S$600 million in enhanced government matching for donations, directly co-investing alongside private donors to amplify giving.

Gifting of shares

Donations of public shares listed on the Singapore Exchange (SGX) or of units in unit trusts traded in Singapore to approved IPCs are tax deductible.

Artefact donations and Public Art Tax Incentive Scheme

Donations to museums by individual or corporate donors are tax deductible if the museum has obtained the Approved Museum Status with the National Heritage Board. In addition, donors of sculptures or works of art for public display may qualify for tax deductions. These donation schemes apply to both corporate and individual donors[60].

Land and building donations

Donations of land or buildings to approved IPCs are tax deductible donations. This donation scheme applies to both corporate and individual donors[61].

Sustainable Philanthropy Framework

Singapore's National Council of Social Service (NCSS) has developed a Sustainable Philanthropy Framework[62] that empowers businesses to align their philanthropic activities with corporate ESG goals,

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[59] *Donations and tax deductions, Inland Revenue Authority of Singapore website. Available at: https://www.iras.gov.sg/taxes/other-taxes/charities/donations-tax-deductions*
[60] *Ibid*
[61] *Ibid*
[62] *Sustainable Philanthropy Framework, National Council of Social Services Singapore website. Available at: https://www.ncss.gov.sg/research-and-insights/sustainable-philanthropy/sustainable-philanthropy-framework/*

recognising that corporate philanthropy is most durable when it connects to business purpose rather than sitting as a separate discretionary activity.

Broader policy elements

Singapore's 2025 initiatives include capability building for the not-for-profit sector and policy design specifically encouraging small-scale donations and volunteering, recognising that a broad giving culture requires participation across income levels, not just among major donors.

Relevance for New Zealand Singapore's model is relevant in three respects. Its 250% deduction demonstrates the spectrum of generosity in donation incentive design - NZ's 33% credit is at the conservative end. Its government matching fund shows that fiscal incentives need not operate only through the tax system and that direct co-investment can catalyse giving in ways that tax credits alone do not. And its ESG/corporate framework shows how philanthropy can be embedded into mainstream business practice rather than treated as a niche activity.

> *"Singapore's giving data reflects both the people's spirit of generosity and an enabling environment that has been nurtured with intention. While national initiatives, such as tax incentives and matching funds may provide the necessary support, what sustains and enables giving to flourish is a shared belief that everyone has a role to play.*
>
> *Singapore's approach shows that culture and policy are not separate levers. When they reinforce each other, giving becomes embedded in our society over time.*
>
> Tony Soh, Chief Executive Officer, National Volunteer and Philanthropy Centre, Singapore, Source*: World Giving Report 2026.*

10. Comparisons of nations – a short summary

	NZ	Australia	Canada	UK	Ireland	Singapore
Cash donations (individual)	33.33% refundable credit; $100k cap from Apr 2027	Deduction at marginal rate (up to 47%); no dollar cap	15–33% credit; no dollar cap; combined federal and provincial ~46-53%	Gift Aid: charity reclaims 20%; higher-rate donors claim extra	CHY: 31% gross-up to charity only; no personal benefit	250% tax deduction. S$600m government matching.
Cash donations (corporate)	Deduction up to 100% taxable income	Deduction on taxable income	Deduction up to 75% net income	Deduction as trading expense at 25%	Deduction at 12.5%	Deduction inc. for Artefacts and Public Art
Shares & listed securities	No specific incentive; no CGT	CGT-exempt + full market value deduction; spread 5 yrs	Capital gain eliminated; full FMV deduction; 5-yr carry-forward	CGT-exempt + marginal rate relief on full market value	No specific CGT exemption	Gifting to approved IPCs tax deductible
Property	No specific incentive; no CGT	Deduction for DGR gifts. CGT may be payable on gains.	Ecological land: 100% net income deduction + CGT exempt	CGT-exempt; IHT exemption	50% tax credit for heritage property	Tax deductible to approved IPCs
Cultural & heritage items	No programme	Cultural Gifts Programme: full deduction + CGT exempt; spread 5 yrs	Certified cultural property: 100% net income deduction; capital gain eliminated	Acceptance in Lieu (estates) + Cultural Gifts Scheme (lifetime).	Heritage property: 50% tax credit	Artefact donations and Public Art Tax Incentive Scheme
Bequests / estate giving	No specific incentive; no estate tax	No specific incentive; currently no estate tax	100% net income deductible in year of death; carry-back to prior year	Fully IHT-exempt (40% otherwise);	Fully CAT-exempt (33% otherwise)	No specific incentive.
National strategy	None	*Double Giving by 2030*) + *Future Foundations for Giving*	None	*Our Place to Give* (government, April 2026)	National Philanthropy Policy 2024–2028 (government)	Sustainable Philanthropy Framework (NCSS, 2025)
Cap / limits	$100k cap from April 2027	No dollar cap; 75% net income	No dollar cap; 75% net income (100% for cultural/ecological)	No dollar cap.	No cap; minimum €250	No cap

11. Recommendations for policy consideration

Remove the $100k cap

The cap should be set at a level that does not constrain major philanthropic gifts. A cap of $1 million or elimination of the cap entirely would be consistent with comparable jurisdictions and appropriate given the intergenerational wealth transfer context.

Establish a cultural and heritage gifts programme

Modelled on Australia's Cultural Gifts Programme, this would provide a full income tax deduction (or enhanced credit) and CGT exemption for donations of culturally significant items to approved New Zealand public collecting institutions. Priority should be given to taonga Māori, significant artworks, archival materials, and heritage collections. The programme should require independent valuation and be administered by a designated agency such as Te Papa or Creative New Zealand.

Introduce a bequest incentive mechanism

Options include a legacy giving supplement providing a special credit rate (e.g. 10-20%) on charitable bequests confirmed in a registered will; a bequest tax credit claimable by estates in the year of death up to 100% of the estate's final income (mirroring Canada); or a deferred giving credit that allows donors to commit a bequest now and receive incremental tax credit across their remaining lifetime.

Extend the donation tax credit to listed securities and property

Allow the 33.33% credit to apply to the market value of donated listed securities and approved property gifts, not just cash - aligning with Australian, Canadian, and UK practice.

Reduce administrative friction through digital integration

Modernise the donation tax credit claim process - through pre-populated returns, automatic receipt matching, and real-time payroll integration - to bring the 48% non-claimant rate down significantly. This is an implementation improvement, not a policy change, and would increase charitable revenue while producing more equitable outcomes.

Develop a National Philanthropy Strategy

A major opportunity exists for the Government to partner with a willing philanthropy sector and develop a National Philanthropy Strategy - ideally a ten year framework focused on creating enabling conditions for philanthropy. This could include:

- Establishing baseline data on philanthropic giving;
- Creating a cross-sector implementation group, with Government working together in partnership with the philanthropic sector;
- Widening incentives that encourage giving, including for bequests, gifts of shares and property and arts and cultural heritage items.
- Scaling up philanthropic infrastructure, including community foundations and other not for profit structures;

- Supporting the growth of a legacy giving awareness campaign such as *September Wills Month;*
- Considering government matching mechanisms (drawing on Singapore's model and historic approaches in the UK) to co-invest alongside private donors in priority areas;
- Activating the professional advisors sector – legal, accounting, financial advisors – influencing education pathways and enabling more informed conversations around the topic of philanthropy.

12. Conclusion

New Zealand's policy settings are making it hard to be a generous nation.

The evidence in this report is clear, five peer nations - Australia, Canada, the United Kingdom, Ireland, and Singapore - have built deliberate, layered systems to encourage people to direct private wealth toward public good. They offer cash matches and rebates, they incentivise gifts of shares, they have programmes for donating artworks and taonga to public collections, they incentivise people to leave something to charity in their wills, several have national philanthropy strategies. All of them send a clear signal that giving matters and that government will meet generosity part of the way.

Significantly, other nations are not treating donation incentives as tax expenditure to be minimised, they treat them as leverage and a way to mobilise private capital for public benefit at a fraction of the cost of direct government spending.

New Zealand sends a different signal. Budget 2026 labels incentives as fiscal risks that "*can be misused for aggressive tax planning".* The donation tax credit, the only incentive we have, is capped at $100,000 which will directly affect the 350 donors responsible for around ten percent of donations - precisely the people research shows are most responsive to incentives.

The timing really does matter, with $1.6 trillion transferring between generations over the coming two decades. That wealth is already in motion and the decisions made now - in tax settings, in infrastructure, in the signals Government sends about what it values - will determine whether any meaningful portion of that capital flows toward hospitals, hospices, arts organisations, environmental trusts and communities, or whether it simply moves from one private bank account to another.

The recommendations in this report are practical and internationally proven: remove the cap, extend the credit to shares and property, establish a cultural gifts programme, create a bequest incentive, fix the administrative friction that stops half of eligible donors from claiming – incentivising their giving even further - and develop a national philanthropy strategy built in genuine partnership with the sector.

New Zealand has a narrow window to get this right - the wealth transfer will not wait for a better policy environment to emerge in the decades ahead. This isn't just a tax debate, it's a purposeful choice about what kind of country we want to become and how we nurture a society that genuinely looks out for each other.

The evidence is clear and what's needed now is the political will to act. What an opportunity we have ahead as a nation working together to build a stronger Aotearoa New Zealand.

Further sources to the footnotes: Inland Revenue NZ (Budget 2026 Information Sheet); CFANZ, Giving in Aotearoa NZ research report (2026); Philanthropy Australia, A Strategy to Double Giving by 2030 (2023); Australian Productivity Commission, Future Foundations for Giving (May 2024); UK Department for Culture, Media and Sport, Our Place to Give (April 2026); Government of Ireland, National Philanthropy Policy 2024–2028; Revenue Ireland; Singapore NCSS, Sustainable Philanthropy Series (2025); Australian Taxation Office; Canada Revenue Agency; HMRC; JBWere Bequest Report 2025; BERL; Rhodri Davies, Public Good by Private Means (2015); Eleanor Cater, Winston Churchill Fellowship Report Expediting the Growth of Community Philanthropy (2023), World Giving Report 2026.