



St Vincent de Paul Society
NATIONAL COUNCIL *good works*

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Submission to the Inquiry into the Australian Charities and Not-for-profits Commission (Repeal) (No. 1) Bill 2014

The St Vincent de Paul Society (the Society) is a respected lay Catholic charitable organisation operating in 149 countries around the world. In Australia, we operate in every state and territory, with more than 60,000 members, volunteers, and employees. Our people are deeply committed to our work of social assistance and social justice, and we run a wide variety of programs around Australia. Our work seeks to provide help for those who are marginalised by structures of exclusion and injustice, and our programs target (among other groups) people living with mental illness, people who are homeless and insecurely housed, migrants and refugees, and people experiencing poverty.

On 19 March 2014 the government introduced legislation (the Bill) to repeal the Australian Charities and Not-for-profits Commission (the ACNC). The Society has consulted nationally and we welcome the opportunity to make this contribution.

1. Executive summary

The current Bill seeks to repeal the ACNC, on the grounds that it has created extra reporting obligations for some entities.

The Society opposes this move. We stand with the clear majority of our sector in believing that the ACNC is an important step forward in reducing red tape, increasing accountability and improving performance for all of us.

2. What the Bill is going to do

The Bill seeks to dismantle the ACNC in its entirety, and move some of its functions to other bodies.¹ A second Bill will, in due course, propose a model to replace the ACNC, but with a focus on disseminating knowledge rather than regulatory oversight.

3. The Rationale of the Bill

While the ACNC was created to be a single reporting point for entities in the sector, the Explanatory Memorandum argues that this has not yet occurred, and that the majority of charities continue to provide information to multiple jurisdictions. There are some who also express the fear that the ACNC could be used as a means of unnecessary government control over entities, although this has not, to our knowledge, been substantiated in any way.

As such, the Explanatory Memorandum argues that the ACNC is imposing unnecessary regulation on the not for profit sector.² The Memorandum points to several examples of this:

- entities that are unincorporated organisations, and charitable trusts, are now subject to the new regime, while previously they fell outside;

¹ The Bill, at http://parlinfo.aph.gov.au/parlInfo/download/legislation/bills/r5202_first-reps/toc_pdf/14046b01.pdf;fileType=application%2Fpdf.

² Explanatory Memorandum, page 9 at http://parlinfo.aph.gov.au/parlInfo/download/legislation/ems/r5202_ems_43c2f9ce-f4c7-4c4d-89ee-528d39b09619/upload_pdf/392326.pdf;fileType=application%2Fpdf.

- a large number of incorporated associations now have duplicated reporting requirements, to which the new ACNC reporting does not add very much.

4. The Society's position

It is the view of the Society that these practical problems do not mean that – at a higher level – the sector would not benefit from a well-managed and efficient regulator.

As was identified in the Explanatory Memorandum, many charities are subject to multiple and complex reporting requirements at present. While adding an additional reporting structure is not helpful, the ultimate purpose of the ACNC is to synthesise and streamline state and federal reporting, and departmental reporting, into a “one stop shop”. When this is achieved, it will mean significantly *less* red tape for the sector. This long-term reduction in red tape, through singularity and consistency of reporting requirements, is what many in the Society hope and believe the ACNC can deliver, as outlined in our submission on the regulatory impact assessment of governance and reporting standards for charities.³ Moreover, the majority of the sector has supported the creation of the ACNC.⁴ There is a strong belief that red tape will be reduced by allowing the ACNC to continue its work of reducing duplication, facilitating reporting, and promoting sector development.

While the ACNC may not have achieved this goal in reducing duplication in reporting yet, in the short time it has been in existence it has built strong relationships with our sector, and has made real steps towards a more supportive and less onerous regulatory system.

The ACNC is also responsible for administering the Governance Standards that are to bind all federally incorporated not for profits. The Society supported this move to create a single standard of governance across the board for not for profits,⁵ although in some places the standards did seem to be a weakening of existing requirements. Nevertheless, it would be a mistake to abolish this single, coherent set of guidelines.

5. Conclusion

The Society, while believing that there is much to be gained from a constructive and critical engagement in ensuring that the ACNC fulfils its role, is opposed to this Bill and is wary of what appears to be an ideological opposition to the very existence of the ACNC.

Rather than abolishing the ACNC, the Society believes that the government would be well-advised to listen to the voices of the charitable and not-for-profit sector.

³ http://www.vinnies.org.au/icms_docs/168679_Submission_On_Regulatory_Impact_Assessment_Of_Potential_Duplication_Of_Governance_And_Reporting_Standards_For_Charities.pdf

⁴ See, for example, St Vincent de Paul Media Release, http://www.vinnies.org.au/page/News/National/Vinnies_asks_government_to_listen_to_the_community_sector/

⁵ See our submission at http://www.vinnies.org.au/icms_docs/168676_Submission_on_Development_of_Governance_Standards_Consultation_Paper.pdf