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21 April 2014

The Senate Standing Committees on Economics
P O Box 6100
Parliament House
CANBERRA ACT 2600

economics.sen@aph.gov.au

Dear Sir/Madam

Re: The Australian Charities & Not for profits Commission (Repeal) (# 1) Bill 2014

On behalf of Add-Ministry Inc. and also in my capacity as an advisor to many charities in Western Australia, I write to express my concern at the proposal by the Government to repeal the Australian Charities and Not for profits Commission (ACNC). The proposal not only introduces significant uncertainty and insecurity to the Charities Sector, it is also not in the best interests of the Australian community as a whole. Far from assisting in the reduction of red tape, it would be a move, if successful, that would add enormously to red tape in winding back part or all of the good work already achieved through the operations of the ACNC thus far. It beholds our Government to listen to the voice of the Charity Sector and listen to the needs of the Australian people generally. We not only need a reliable regulator which relates to all charities, but we need the openness which is a core aim for ACNC. The Charity Sector has already invested a significant amount of time and money in responding in a very positive way to the establishment of the Commission. Overall the response of the Sector is positive to the objectives of the ACNC and is appreciating the open way in which the Commission is providing helpful support.

I argue that if the ACNC were given the opportunity of pressing forward and completing its task it will achieve a far better reduction of red tape than any possible dismantling would achieve. Only recently ACNC have finalised arrangements with all or most State association regulators to ensure that only one report is needed between the two organisations. A similar approach has been taken with the Office of Registrar of Indigenous Corporations and also the Federal Department of Education.

Government inquiry after inquiry since the 1996 Report of the Industry Commission into the Sector has recommended the establishment of an independent regulator. I understand that is also a recommendation in respect to Australia's international treaty obligations related to terrorism

and money laundering. The abolition proposed seems to fly against significant Government inquiries and also the requests of the Sector expressed over many years. It is my understanding that by far the majority of the Charity Sector will support the retention of the ACNC in its present form.

Add-Ministry exists to help equip and inform the Charitable Sector. This is achieved through the provision of periodic newsletters, through our website (www.addministry.org.au), through the provision of training seminars and workshops, and also through an e-mail advisory service. In the twelve years we have been in operation, we have established a credible role within the Western Australian Charitable Sector. In this regard we have, on behalf of the Christian community in Western Australia, made a number of submissions in respect to the Charity reform legislation of the previous Government. We have just recently made a further submission on behalf of the Christian community of this State in respect to the "In Australia" paper recently released by Treasury. We are well aware of the additional workload for small churches and other small charities in meeting the requirements of registering with ACNC. Nevertheless in this journey of working with them to assist in making the transition easier, we have not heard negative responses to ACNC and its objectives. We ask "Where then is the problem?"

In my professional capacity I am an advisor to many charities in Western Australia. They include several of the Christian denominations and charities, both large and small. In my personal capacity I have been an active participator in charitable and other not-for profit organisations. I have served in executive roles in large and small charities and continue in such roles. I have been honoured by life membership in two substantial Western Australian charities. From this close personal experience I know that many small and medium-size charities struggle to get appropriate office bearers and struggle with looking for guidance regarding due process. At the same time those charities are achieving substantial benefits for the Australian community as a whole. The coming of the ACNC has opened a new way forward. One facet of their role is to assist in equipping charities and they have achieved much in this area in the short time they have been in existence. Is this resource to be lost? A return to Australian Taxation Office and Australian Securities and Investments Commission of the regulatory function would inevitably mean a significant part of the support now available for the first time would be lost.

We urge the Senate Economics Committee, and in turn the Government, to reverse this announced policy. We believe that ACNC should be better equipped, not hampered in the task that is before them.

Yours faithfully

N E HARDING

FCPA (Taxation), FCIS