



**Australian Charities and Not-for-profits
Commission Bill 2012**

**Inquiry into the Australian Charities and Not-for-
profits Commission Exposure Draft Bills**

**SUBMISSION FROM THE SALVATION ARMY
AUSTRALIA**

20 July 2012

Inquiry into the Australian Charities and Not-for-profits Commission Exposure Draft Bills

The Salvation Army is pleased to be able to contribute to the current inquiry into the Australian Charities and Not-for-profits Commission (ACNC) Exposure Draft Bills (the Bills) and observes the tight timeframes in which the Standing Committee on Economics has to hold its inquiry.

About The Salvation Army

The Salvation Army is the most recognised charity in Australia. The Salvation Army's services are open to all, without discrimination. The foundation of The Salvation Army and its current ethos affirm its religious commitment and its social commitment as equal and indivisible. The Salvation Army describes this as a "holistic mission".

The Salvation Army is an evangelical part of the universal Christian Church. Its message is based on the Bible and its ministry is motivated by love of God. Its Mission is both spiritual and practical, encompassing the preaching of the Gospel of Jesus Christ and alleviating human suffering and distress without discrimination.

Values of The Salvation Army

The Salvation Army values:

Human dignity	we affirm the worth and capacity of all people
Justice	we promote healthy and whole relationships, and good society
Hope	we work for reconciliation, healing and transformation for all people and creation
Compassion	we feel compelled to stand with and do something about another's suffering
Community	we build community and meet with God in our encounter with others

Attributes of The Salvation Army

The Salvation Army:

- Is viewed by the community as highly committed, visible and trustworthy;
- provides a seamless approach to welfare and community work with a network of people available to assist those seeking its services;
- is also seen as responding to current social needs with expertise and professionalism. The Salvation Army provides its services without discrimination and supports the most disadvantaged and marginalised in our society;
- introduces life changing approaches as it is committed to changing the lives of people in crisis and not just meeting their immediate needs.

The Salvation Army in Australia is a part of the worldwide Salvation Army church.

Services of The Salvation Army

The types of services and welfare, which The Salvation Army provides to the local community, include the following:

- Homelessness Shelters
- Aged Care Centres (The Salvation Army provides accommodation for aged persons, catering for their nursing and health care needs, and preventing their isolation and loneliness)
- Bridge Programs (alcohol, drug and gambling rehabilitation programs)
- Safe-housing for victims of violence
- Crisis Accommodation Centres
- Family Crisis Centres
- Family Counselling
- Crisis Telephoning Services
- Survivors of Suicide Groups
- Youth Crisis Centres
- Crisis Counselling (including grief counselling)
- Financial Counselling
- Marriage Enrichment
- Child Care
- Emergency / Disaster Relief (The Salvation Army provides direct relief or alleviates the distresses caused by natural and man-made catastrophes)
- Emergency Relief / Financial hardship
- Migrant Services
- Court and Prison Services
- Youth Support Services
- Youth drop-in Centres
- Intellectual Disability Services
- Recreation programs for the elderly
- Salvos Stores (sale of donated goods available for the public)
- Employment Plus (placing long term unemployed into jobs)
- Worship and other services (The Salvation Army throughout Australia is a part of the universal Christian Church)
- Red Shield Defence Services
- Legal Services
- Support of the Federal Government's Community Detention Program

Submission

The Salvation Army has consistently supported the Australian Federal Government's reform process of the not-for-profit (NFP) sector with the anticipation and expectation that the reforms were intended to achieve reductions in the regulatory and compliance costs and burdens to which NFPs are currently being subjected.

The Salvation Army recognises that there have been significant changes and improvements to the Bills from the original version of the exposure draft released for comment earlier this year.

The Salvation Army notes that there are parts of the original exposure draft that have now been deferred and these will be subject to further consultation. These deferred matters relate to governance and financial reporting. These two matters are integral to the successful attainment of regulatory and compliance cost and burden reductions for the NFP sector and as such those consultations are eagerly anticipated.

With respect to particular observations on the Bills, The Salvation Army comments as follows:

- The Explanatory Materials to the Bills contain clear intent for the ACNC to provide a reduction in red tape, reductions in duplication, creation of a 'one-stop shop' and a 'report-once, use-often' operational concept for the NFP sector. The Salvation Army observes there is a seeming disconnect between the intent of the Explanatory Memorandum and the construct of the Bills themselves. The Bills suffer from a lack of reinforcement of this purported outcome and even Division 15 (the division containing the Objects for the bill) does not contain a specific object that addresses this reduction in red tape.

The goal of achieving reductions in administration, regulation and compliance costs and burdens is ambitious and worthy, and will result, if achieved, in tangible benefits to the NFP sector. The Salvation Army is concerned, however, that as these outcomes are not clearly identified within the objects of the ACNC legislation, it is made easier for the ACNC to step back from this goal in the future should difficulties in delivering this outcome be faced. It is also unclear from the Bills and Explanatory Materials how the ACNC will in fact achieve the stated outcomes of reduced regulatory impacts for the NFP sector. The Salvation Army recommends this matter be addressed to ensure the ACNC, relevant government departments/agencies and the NFP sector are clear on how the reductions and benefits will be achieved and what powers the ACNC will have to ensure this occurs.

- The Salvation Army notes there is the ability for registered entities to apply to the Commissioner of the ACNC for access to grouped reporting. The Salvation Army supports this enhancement.

The Salvation Army recommends that the grouping concept is extended to other parts of the Bills, specifically in relation to the Duty to Notify section. This will give one nominated entity the ability to provide relevant notifications to the ACNC on behalf of its 'group members'.

The inclusion of such a grouping mechanism will result in reductions in compliance and administration costs for 'groups' of related entities that would otherwise be reporting identical information.

- With respect to the development of a 'basic religious charity', The Salvation Army believes the exclusions as contained in Section 205-35 (3) and (5) need to be revised.

The Salvation Army recommends that if these exclusions are to apply to prevent organisations from satisfying the requirements of a basic religious charity they should be subject to a materiality/quantum basis. For example, the mere receipt of a \$1,000 handout from your local member of Parliament should not result in that organisation losing its basic religious charity status for the next three years.

It is recommended further consideration is provided in this regard and additional consultation with relevant religious organisations is undertaken to achieve a practical and sensible outcome for all parties.

- The Bills contain significant powers for the ACNC to undertake a large range of enforcement and/or monitoring activities. Prior to the ACNC undertaking a vigorous enforcement role over the NFP sector, The Salvation Army would expect the ACNC to dedicate significant resources to 'educating' governments (and their departments and agencies), the NFP sector and the Australian public on what the role of the ACNC is and what can be expected from the ACNC. The absence of devoting sufficient resources to this task will result in confusion for relevant parties, a potential lack of compliance from registered entities and the potential for the Australian public and the NFP sector to form a misguided understanding of the ACNC due to a lack of understanding of its role.

If you have any questions or would like further clarification please do not hesitate to contact me.

Contact details:

Major Kelvin Alley
National Secretary
The Salvation Army National Secretariat, Canberra
2 Brisbane Avenue Barton, ACT 2600