



Secretary
Standing Committee on Economics
House of Representatives
PO Box 6021
Parliament House
CANBERRA ACT 2600

20 July 2012

Dear Sir or Madam

Draft Australian Charities and Not-For-Profits Commission (ACNC) Bill

The Chamber of Commerce and Industry of Western Australia (CCI) is the leading business representative group in Western Australia. CCI has more than 7,000 members in all sectors of the economy. About 80% are small businesses and members are located in all geographical regions of WA. About 5% of our members are charities and not-for-profit organisations.

CCI acknowledges the direct contact we have had with the office of the Assistant Treasurer and recognises the work that has been undertaken since the Bill was first released. We do however note the very short submission period while the Bill is being considered by the Standing Committee on Economics, a timeframe too short for proper consultation with our members.

Some of the issues raised by the sector have been noted in the new draft and the new Bill is sound. It is difficult to assess the extent to which the proposed legislation will support the diversity of the NFP sector although we note the improvements to the financial reporting requirements and the proposed new governance standards. We also note the two-stage process proposed and the slowing down of the implementation. This will allow for greater consideration by those charities and not-for-profits affected by the new legislation and ensure that the statutory definition of Charity is finalised before the ACNC introduces new requirements for registered entities.

CCI urges the Inquiry to consider carefully how the states and territories can work with the ACNC to ensure there is unnecessary duplication and compliance requirements red tape are not increased. Different models should be considered to maximise participation of the states and territories.

Specifically, CCI :

- believes the thresholds defining small, medium and large entities do not accurately reflect the sector as the reporting and compliance thresholds are too low;
- does not support any move for the ACNC to be the 'shop front' for the NFP sector;
- recommends the inclusion of safeguards (criteria) in the Bill which the Commissioner must satisfy prior to revoking an entity's registration because the Commissioner believes an entity 'likely' not to comply or 'likely' to contravene the Act (Section 35-10(1)(c)(i) and (ii));



- is keen to have clarity around the relationship between the ACNC and other service specific regulators in relation to their respective investigative and sanctioning powers; and
- recommends that the Commonwealth address its own jurisdictional red tape with a view of reduce the administrative burden on the sector. In other words, the Bill needs to go further to support the Commonwealth's own reform again in respect of reducing red tape and unnecessary duplication.

Yours sincerely

David Harrison
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