



Committee Secretary  
Senate Economics Committee  
Department of the Senate  
PO Box 6100  
Parliament House  
Canberra ACT 2600

**SUBJECT: INQUIRY INTO THE DISCLOSURE REGIMES FOR CHARITIES AND NOT-FOR-PROFIT ORGANISATIONS**

Dear Committee,

Thank you for providing the opportunity to make this submission.

Mountains Community Resource Network (MCRN) is a dynamic peak organisation whose actions are founded on social justice and community development principles. We value community and cultural diversity, and we challenge inequality. On behalf of organisations, groups and individuals, and concerning the Blue Mountains as a whole, the Mountains Community Resource Network works towards achieving a socially just community in the Blue Mountains and alleviating community disempowerment caused by poverty, discrimination and human rights injustices.

MCRN welcomes this inquiry and supports the recommendations of the *Report of the Inquiry into the Definition of Charities and Related Organisations - June 2001*. MCRN is concerned about “the wide variability and inconsistency in the way that charities disclose information to the public; and [...] that the 27 recommendations from the inquiry into the definition of charities and related organisations, which reported in 2001, have not been implemented.” (Senate Standing Committee on Economics Inquiry into the disclosure Regimes for Charities and Not-For-Profit Organisations – Background Paper, Page 1). MCRN is aware of and concerned about the fact that there is an inconsistency in the determination of DGR status, which results in some organisations *not having* DGR status, whereas a very similar organisation providing very similar services *having* DGR status.

Not-for-profit community organisations play a vital role in the welfare and social connectedness of the most vulnerable and disadvantaged people within our society; providing services and resources that prevent poverty and social isolation as well as direct services to relief from financial and emotional hardship. MCRN is convinced that neighbourhood centres, youth services, family support services, children and family services, aged care and disability services, community health and legal services are all entities contributing to a more equitable and safer society ‘with a dominant purpose, which is altruistic and for the public benefit’. This also includes peak organisations such as MCRN and Western Sydney Community Forum, which build the capacity within the community sector by providing resources, training and networking opportunities.

MCRN would like to emphasise the importance of DGR status for two reasons:

1. In an increasingly competitive funding environment access to philanthropic grants becomes more important. DGR status is a pre-requirement for most of these grants.
2. DGR status gives organisations access to the salary sacrificing / fringe benefit tax system, which ensures better employment conditions for workers within the community sector. The wages in our sector are very low in relation to similar jobs (in terms of levels of accountability) in other sectors.

The vast majority of not-for-profit community organisations have a proven track record of good governance and accountability processes in acquitting governmental funding. MCRN recommends that DGR status is determined more consistently and that the positive attributes of not-for-profit organisations are taken into consideration in any decision making processes.

Yours faithfully,



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Mountains Community Resource Network Inc.

28<sup>th</sup> August 2008