



29 August 2008

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

**Submission to the Senate Economics Committee
Inquiry into the Disclosure regimes for charities and not-for-profit organisations**

This submission is provided by the National Pro Bono Resource Centre (**Centre**) in response to the Senate Economic Committee's invitation to written submissions for the inquiry into the disclosure regimes for charities and not for profit organisations.

A. National Pro Bono Resource Centre

The Centre is incorporated as a company limited by guarantee and was established at the University of New South Wales in 2002 following the recommendation by the National Pro Bono Task Force to the Commonwealth Attorney-General. The Centre exists to support and promote the provision of pro bono services. Its role is to stimulate and encourage the development, expansion and coordination of pro bono services as well as offering practical assistance in this regard.

The Centre is an independent, non-profit organisation that aims to:

- Promote pro bono work throughout the legal profession;
- Undertake research and projects to inform the provision of pro bono legal services;
- Provide practical assistance to pro bono providers (including information and other resources);
- Develop strategies to address legal need; and
- Promote pro bono law to community organisations and the general public.

The Centre receives financial assistance from the Commonwealth and States' Attorney-General's Departments, and support from the Faculty of Law at the University of New South Wales.

The Centre has established an Advisory Council and consults widely with the legal profession, community sector and other relevant people and produces resources of immediate benefit to the legal profession and community sector.

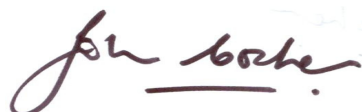
B. Submission

The current complex regulatory environments for not-for-profits and charitable organisations has resulted in these organisations having to rely heavily on legal service providers. Many such organisations have only limited resources and perform a large part of their operations through the help of volunteers. In order to cope with the wealth of state and federal legal and reporting obligations of the current system and the complexities of seeking deductible gift recipient tax status, many not-for-profits have sought legal advice through pro bono schemes.

In Victoria, the great demand for pro bono legal assistance for not-for-profits has led to the establishment of a specialist legal service for community organisations. The Public Interest Law Clearing House (PILCH) has established PILCHConnect, which provides free or low-cost assistance to not-for-profits across Victoria on a wide range of legal issues. Recent research by PILCH (Victoria)¹ and The Centre for Volunteering NSW² highlight the problems caused by the current regulatory system and the resulting high-volume need for legal resources and legal assistance by not-for-profits.

Further, the Centre has conducted national surveys of the pro bono work of individual solicitors and barristers³ across Australia. The results of the survey showed, that 87 per cent of solicitors and 63 per cent of barristers reported doing pro bono work for Community legal organisations and other not-for-profit organisations. In addition to this, several large law firms have organised seminars for representatives from several community organisations rather than advising individual organisations. These have included sessions for not-for-profits on topics including directors' duties, risk management, employment, structuring, taxation, privacy and contracts.⁴

A single regulatory regime for not-for-profits will make these organisations easier to administer and will thus free up some of the not inconsiderable but scarce pro bono legal resources that are used to address the complexities that presently confront these organisations.



John Corker
Director

29 August 2008

¹ See Public Interest Law Clearing House Research report: Establishment of a Not for Profit Legal Service (May 2007)

<http://www.pilch.org.au/files/UNNO8QT8P1/PILCH%20NFP%20Research%20Report.pdf>

² See The Centre for Volunteering NSW: *'It's a bit of a minefield: Findings from the legal issues and resources Survey of NSW Volunteering Organisations'* (April 2007) and *'Making the Law Accessible: Legal Issues and Resources for NSW Volunteering Organisations'* (2007)

³ Results of the surveys can be found at:

<http://www.nationalprobono.org.au/page.asp?from=8&id=175>

⁴ For example, Freehills has organised a number of well-attended seminars on various aspects of tax law for not-for-profit organisations (see Freehills Pro Bono Annual Reports)