



Submission to the Senate Inquiry into the
Australian Charities and Not-for-profits Commission (Repeal) (No. 1)
Act 2014.

Introduction

Australian Catholic Religious Against Trafficking in Humans (ACRATH) was incorporated in Victoria in 2013. It is recognised by the Victorian Department of Consumer Affairs and by ACNC as a Tier 1 entity, with earnings under \$250,000.00.

ACRATH has been supported by two government 3-year grants from the Attorney General's Department, under the Proceeds of Crime Authority funds. This funding ceases on 30th June 2014. ACRATH has been given a further grant of \$360,000.00 for 2014-2017 from the Department of Justice under the *Grants to Australian Organisations Program*.

ACRATH has made submissions to previous inquiries, and has been praised by Parliamentary Committees and in Hansard for its contribution to the work of anti-trafficking within Australia.

Submission

The explanatory Memorandum to the Bill contains the following:

Repealing the Commission will remove unnecessary regulatory control over the civil sector, and move instead towards Commonwealth support for the sector to self-manage. The repeal is consistent with the broader deregulation agenda to boost productivity by removing any excessive, unnecessary and overly complex red and green tape imposed on business, community organisations and individuals.

This Bill will repeal the *Australian Charities and Not-for-profits Commission Act 2012*, thereby abolishing the Commission.

However, this Bill will not take effect until the enactment of a later Bill, which will provide the details of the arrangements replacing the Commission.
(Emphasis added)

In the process of becoming incorporated, the Treasurer of ACRATH was required to seek registration with the following bodies, in most cases supplying the same or similar information in each case:

Victorian Department of Consumer Affairs

ACNC – to register the parent body, and to register the Public Fund

Department of Social Services (Register of Harm Prevention Charities)

ATO – for ABRN

In seeking to raise funds through its website and during gatherings to which ACRATH have been invited to provide information about its activities, ACRATH has had to complete forms seeking a fundraising licence or its equivalent from:

- Registration Services, Office of Fair Trading, Queensland
- Charitable Collections, Department of Commerce, Government of Western Australia
- Department of Justice, Consumer Affairs & Fair Trading, Tasmania
- Department of Consumer Affairs, Victoria.

Most of the information required was again repeated in each application, but in a slightly different format. One application (Queensland) required the provision of a Police and a Statement that people responsible for the funds collected were responsible persons.

Added to this is the subsequent requirement to report to each of these entities at the end of each financial year. Despite the fact that only a small sum was donated from Western Australia, under \$10,000.00 in 2013, the responsible Department requires an audited statement of all ACRATH's Income and Expenditure for the year. Neither the Incorporating authority in Victoria nor the ACNC require this additional work or expense for a Tier 1 entity. ACRATH's own Rules do not require an audit to be done for its Annual Financial Report to Members.

It was the hope of this small Charity, that the establishment of the ACNC and the subsequent cooperation of the States and Territories would "remove unnecessary regulatory control" over small charitable entities such as ACRATH by "removing any excessive, unnecessary and overly complex" and multiple application and reporting requirements such as those outlined above that ACRATH has had to deal with in the past 12 months. The repeal of the ACNC legislation will have the opposite effect to that being proposed by the Government. Rather than the ACNC being the one stop shop for applications, registrations and reporting that it was meant to be, small charities such as ACRATH will be forced to deal with multiple requirements in all three areas.

Small entities such as ACRATH rely heavily upon volunteers to manage its affairs at the governance level. Funding only allows for the employment of a small number of hands-on management personnel (in our case two part-time people, one in Victoria and one in NSW). The rest of the work required, including that of the Treasurer, is carried on by volunteer members, who contribute over \$250,000.00 in-kind voluntary service each year. It was the hope of the ACRATH Board and Members that a fully functioning ACNC would lessen the burden of legislative compliance and reporting on a small NFP such as ours, while still maintaining a watching brief over the NFP sector, and thus providing the necessary public confidence in the integrity of this Third Sector.

The ideal that all members of the sector can with confidence be allowed to "self-manage" will not in our view be achieved by this abolition. On the contrary, gaps in compliance, transparency, and reporting will no doubt open up, and prove damaging to the credibility of the sector as a whole.

It is also most unsatisfactory that people are being asked to vote on this Bill, let alone

comment upon it, without first having any information provided about what the transitional arrangements are to be, or indeed what is being proposed to take the place of the ACNC. All we have to rely on at present is the unsatisfactory experience of what has been the case for ACRATH in the past 12 months – an inordinate amount of work by volunteers who could have spent the time being more directly involved in the service that ACRATH’s purposes commit it to.

ACRATH respectfully suggest that strengthening the role of the ACNC, and working at gaining commitment from the States and Territories to vest oversight of the NFP sector in the ACNC would be more likely to achieve the government’s goals, while making the NFP sector more productive in partnering government in delivering much needed social services to the community.

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