



# Presbyterian Church of Australia

## in the State of New South Wales

ABN 42 645 495 256

20<sup>th</sup> July 2012

Committee Secretary  
Standing Committee on Economics,  
P O Box 6021  
Parliament House  
CANBERRA ACT 2600

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AUSTRALIAN CHARITIES and NOT-FOR-PROFITS COMMISSION  
EXPOSURE DRAFT BILLS

Dear Committee Secretary,

This submission is on behalf of the Presbyterian Church of Australia in the State of New South Wales, which includes the Australian Capital Territory. We comprise Christian Ministry and Mission, Congregations, Schools, Theological Education & Training, Children's Ministries, Aged Care and Social Welfare over 600 physical locations.

In our view it remains uncertain, if not unlikely, that the proposed draft legislation will achieve the Commonwealth's objectives as initially communicated to the public concerning removal of red-tape and providing 'one-stop-shop' assistance to the sector. It may better achieve subsequently expressed objectives in respect of control over charities to protect public trust through a regulator, which was included only more recently. Our concerns also extend to possible unintended consequences.

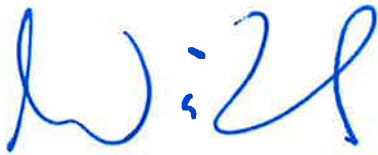
In brief, we respectfully suggest the following considerations for improvement;

- A Statutory Definition of Charity to be determined first and foremost.
- The sanctity of local church congregations and their fundamental right to remain free from State intervention in their ecclesiastical governance and reporting, ought to be recognised in legislation.
- The charitable status of church congregations must be recognised and preserved without any qualification.
- The freedom, indeed the expectation, of church denominational organisations to hold and practice biblical governance and a Christian world-view under conscience throughout all of their activities, regardless of funding sources, must be formally protected before new formal obligations are imposed.
- All financial reporting should be accepted in formats currently acceptable for non-reporting entities.
- The Unrelated Business Income Tax (UBIT) initiative should be resolved and the impact fully evaluated and understood before implementation of these NFP Reform legislative changes.

- Accounting periods should default to that which already exists for the entity when registered.
- New reporting should only commence after other tangible red-tape reductions have been achieved.
- Data ought not be made available to the public other than that involving government funding support.
- The Commissioner should have no power or sanction over any ecclesiastical body except for unlawful behaviour.
- Thresholds for reporting in the interests of fairness and proportionality need to be significantly lifted above the current provisions.
- Governance and external standards are far too important matters to be left for regulation.
- It ought not be the practice of the Commonwealth to threaten religious charities with the loss of tax concessions, exceptions or benefits for non-compliance with unpublished regulations.
- It should be mandatory that a rigorous cost benefit analysis be obtained to enable the proper establishment of a credible Regulatory Impact Statement before implementation of this legislation.

The legislation in its present form does not have our support and in our view ought not proceed for consideration by Parliament without involving extended consultation and considerable revision.

Yours Sincerely,



Wayne Richards MBA  
GENERAL MANAGER, PRESBYTERIAN CHURCH IN NSW  
SECRETARY, PRESBYTERIAN CHURCH (NSW) PROPERTY TRUST

*Note: This submission is dated 20<sup>th</sup> July, 2012 but due to the timing of the State General Assembly and other resource limitations was unable to be completed in final form until 31<sup>st</sup> July 2012.*