

2 May 2014



AUSTRALIAN
COUNCIL
FOR
INTERNATIONAL
DEVELOPMENT

The Chair
Senate Economics Legislation Committee

14 Napier Close
Deakin ACT 2600
Private Bag 3
Deakin ACT 2600 Australia

P +61 2 6285 1816
F +61 2 6285 1720
E main@acfid.asn.au
www.acfid.asn.au

ABN 54 645 667 467

Re: Inquiry into the Australian Charities and Not-for-profits Commission (Repeal) (No. 1) Bill 2014

Dear Chair,

We write in regards to the bill to repeal the Australian Charities and Not-for-profits Commission.

The Australian Council for International Development (ACFID) unites Australia's non-government aid and international development organisations to strengthen their collective impact against poverty. Our vision is of a world where gross inequality within societies and between nations is reversed and extreme poverty is eradicated.

Founded in 1965, ACFID currently has 128 members and 8 affiliates operating in more than 100 developing countries. ACFID's membership expends \$1.4 billion on humanitarian and development activities (2010/11) and raised \$871 million from over 1.9 million Australians (2011/12). ACFID's members range between large Australian multi-sectoral organisations that are linked to international federations of NGOs, to agencies with specialised thematic expertise, and smaller community based groups, with a mix of secular and faith based organisations.

The ACFID Code of Conduct is a voluntary, self-regulatory sector code of good practice that aims to improve international development outcomes and increase stakeholder trust by enhancing the transparency and accountability of signatory organisations. Covering over 50 principles and 150 obligations, the Code sets good standards for program effectiveness, fundraising, governance and financial reporting. Compliance includes annual reporting and checks. The Code is governed by an independent, voluntary Code of Conduct Committee which monitors compliance and investigates complaints. Over 130 organisations are signatories to the ACFID Code and can be viewed at <http://www.acfid.asn.au>

ACFID refers to some of the many findings of the authoritative 2010 Productivity Commission report *Contribution of the Not-for-Profit Sector*:

- The current regulatory framework for the sector is complex, lacks coherence, sufficient transparency, and is costly to NFPs.

united against poverty

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- A national registrar for NFPs should be established to consolidate Commonwealth regulation; register and endorse NFPs for concessional tax status; register cross jurisdictional fundraising organisations; and provide a single portal for corporate and financial reporting.
- Fundraising legislation differs significantly between jurisdictions, adding to costs incurred by the NFP sector. Harmonisation of fundraising legislation through the adoption of a model act should be an early priority for governments.
- Implementation of government and sector reforms will be best facilitated by a central policy and implementation unit within the Australian government such as through the establishment of a specific Office for NFP Sector Engagement.

For the reasons above it has been ACFID's position for many years to call upon the Government to establish a national regulator to tackle these problems. ACFID welcomed the creation of the ACNC. ACFID & its member's invested a lot of time, in helping the Government create the ACNC in order to address the issues stated above.

ACFID has commenced dialogue with the ACNC in regards to recognition of the ACFID Code of Conduct and Government red tape reduction in the international development arena.

In the absence of any coherent alternative to the ACNC it is not acceptable to ACFID to return to the previous status quo of the Australian Taxation Office (ATO). Decades of in-action by the ATO demonstrate that it is not the appropriate body to represent the NFP sector and address the findings highlighted in the 2010 Productivity Commission report *Contribution of the Not-for-Profit Sector*.

Given this it is not acceptable to ACFID to abolish the ACNC and we do not support the Bill.

ACFID fully endorses the recommendations of the Community Council of Australia as representative of our views.

ACFID recommends that the Government establish a consultation process with the NFP sector to look at tackling the issue's highlight above, before taking any further action in regards to the ACNC.

Regards



Marc Purcell

Executive Director