



# Australia's Charities and Not-for-profits

## Written Submission

The Options Paper, Australia's Charities and Not-for-profits sets out proposed replacement arrangements for charities in Australia. The paper outlines policy directions proposed by the Government to introduce effective replacement arrangements that reduce the burden of regulation on the civil society sector.

The paper is being released to seek feedback from charities and interested parties on the proposed replacement options. Comments and feedback will inform development of the replacement arrangements. A summary of written submissions will be provided on the Department's website in September 2014.

Please use this submission template to provide your feedback on the proposed replacement arrangements for charities in Australia.

***Completed submissions are to be sent by 20 August 2014 to:***

**consultationwithcharities@dss.gov.au** (preferred method) OR

Civil Society and Programme Delivery Policy Branch

Department of Social Services PO BOX 7576

Canberra Business Centre, ACT 2610

**Submissions received after 20 August may not be considered.**

Unless otherwise stated, the information and feedback you provide may be used for publishing purposes. Please state if you do not wish for your comments to be published.

## Instructions for completing the Submission Template

- Download and save a copy of the template to your computer.
- Refer to the *Options Paper, Australia's Charities and Not-for-profits* for context and discussion questions.
- You do not need to respond to all of the questions.
- Please keep your answers relevant to the topic being addressed, we ask that submissions be limited to two pages.

**Name (first and surname):**

**Stakeholder category (e.g. service provider, client, peak body, academic):** ACNC

complainant

**State/Territory:** Qld

**Contact email address:**

**Response to Options Paper:**

The move to replace the ACNC is ponderous given the majority of the sector is in favour of retaining the ACNC. Analysis from numerous bodies, including the Qld Law Society, indicates the Commission has successfully reduced bureaucratic red tape, even in its early stages. Replacing it is unnecessary.

In response to the discussion paper, the new **self reporting** proposals are inadequate because they do away with the public resource provided by the ACNC of being able to find a number of charities on the one site in a standardized format to assist in making informed donation decisions.

In addition, the many bogus and illegitimate charities cannot be trusted with self reporting. In the case of cults and harmful groups, many of which have charity status and operate at a detriment to the public, they are known to operate within cultures of deception and secrecy and to bully and intimidate whistleblowers and complainants to evade public and regulatory scrutiny. I have been subject to harassment and intimidation from Universal Medicine as a result of my official complaints. To add insult to injury, the status of the ACNC investigation is unknown. In other words, I've risked my livelihood and personal safety for a toothless investigation by a regulatory regime that is in denial about misconduct within the sector.

To ensure transparency, charities need to be able to demonstrate they are operating in the public benefit, and any regulatory framework needs increased powers to scrutinize charities' activities. In the case of cults, their reports of charitable activity are distortions and outright lies. Some form of inspection and investigation of alleged charitable activity is warranted.

In terms of a **proportional compliance framework**, the discussion paper states that the ATO is vested with powers *in relation to monitoring, enforcement and information gathering which are considered to be sufficient to address any potential misconduct undertaken by charities.*

*In addition, State and Territories have laws in place to prevent charities undertaking fraudulent activity and misusing public funds.*

The fact that Universal Medicine and numerous other harmful groups that have featured in multiple media reports, including Scientology, the Exclusive Brethren, the Heal for Life Foundation and Christian Assemblies International are operating charities, demonstrates that current and previous powers are inadequate.

There is ample evidence of 'harm to beneficiaries' and the public at large by such groups, and they are operating at a burden to social services via various forms of exploitation. Financial, physical and psychological damage to members of the public increases their need for government assistance through health and other social services. Family breakdown is common among such groups, placing a burden on the family courts, the CSA and other associated services.

The hands off approach to compliance that emphasizes a presumption of virtue is frankly providing a government subsidy to cults and other corrupt operators to harm and exploit members of the public.

Charities must be subject to rigorous public benefit tests, and complaints about charities must be investigated robustly, not only to protect the public, but to protect legitimate charities and the sector as a whole from disrepute.

It's preferable for investigations to be carried out consistently at a federal level to ensure some of the groups don't merely shift their operations to other states. The larger and more well resourced groups are most likely to do this.

To conclude, the abolition of the ACNC is a backward step in regulation of the sector. I see nothing in the new proposals that reassures me that the sector will be regulated satisfactorily. I ask for a meaningful public benefit test for charities, improved monitoring of public benefit and increased investigative and enforcement powers to rout out and penalize abusive organizations.

Yours sincerely,