

**RSPCA Australia submission on the Department of Social Services Options Paper - Australia's Charities and Not for profits, 20 August 2014**

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**Response to Options Paper**

**Introduction**

RSPCA Australia makes this submission on behalf of its members - RSPCA ACT, RSPCA Darwin, RSPCA NSW, RSPCA QLD, RSPCA SA, RSPCA TAS, RSPCA VIC and RSPCA WA.

The RSPCA is one of Australia's most enduring and trusted charities, working to prevent cruelty to animals in Australia since 1871. It is widely respected by governments, industry groups and the general public. We provide essential animal care and protection, deliver a law enforcement function designated in State/Territory legislation and play an active role in community education and advocating changes in behaviour and legislation for the betterment of animal welfare. The community provides 97 per cent of our annual operating funds via fees for service, donations and other fundraising activities, with governments providing just 3 per cent.

The RSPCA has been a long- time supporter of regulatory reforms in the charitable sector in order to ensure systems are in place to underpin continuous improvement, efficiency, public accountability and transparency.

We are concerned and disappointed that despite more than a decade of discussion, inquiries and submissions that have resulted in a regulatory regime that most in the sector support, that the Government is not focused on making the best of what we now have in place. We urge you to focus on making the current independent regulator better rather than 'throwing it away and starting again'.

As a member of the Community Council for Australia, RSPCA Australia also supports the CCA submission made to this Options Paper.

**Proposed New Reporting Arrangements**

The current reporting requirements are not a burden. Changing requirements will again divert resources.

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Transparency of reporting by organisations that have charitable status is an expectation of donors and is nothing that any organisation that is legitimately focused on its purpose should be concerned about.

### **Determining charitable status**

The Australian Taxation Office has a clear conflict of interest in determining charitable status. They should administer the decision of others.

Evidence provided over the past decade by many charities has shown the ATO to be inconsistent in their determinations of charitable status. This has meant organisations seeking charitable status spending unnecessary funds on the 'right' lawyers in order to maximise their chance of success.

Neither option presented provides real and perceived independence in the initial determination. The initial decision should be made by a truly independent authority outside the ATO with the appropriate appeal mechanism available.

### **Compliance Framework**

The not for profit sector employs a million Australians, turns over more than \$100 billion and is growing at about 8%. A sector of this size deserves its own regulator.

The proposal does not indicate how any new system will work to reduce existing red tape and duplication within Government and if you are operating nationally, between Governments. The RSPCA supports the 'report once, use often' approach.

While the Department of Social Services may work closely with a number of human services charities particularly via contract for service arrangements, because of this narrow focus, this is not the appropriate location for policy development on the sector as a whole.

Civil society in Australia is diverse and needs to encourage and facilitate a wide spectrum of groups and charities. In our long experience, a 'human services driven' approach may work for organisations in that sector but not for the rest of us.

### **Conclusion**

The RSPCA urges the Government to focus on getting the existing independent regulator that is supported by the vast majority of the sector working to the best of its ability.