



# 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.

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If submitting on behalf of a company or organisation

**Name of organisation:** Vision Australia

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

**State/Territory:** National

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Response to Options Paper:

### Introduction

Vision Australia supports governance arrangements for the Not-for-profit sector that reduce duplication and burdensome arrangements and costs for our operations.

We support an approach that improves public trust and confidence by promoting governance, accountability and transparency of the sector.

We believe this can be done without adding work or complicating current practices and would like to see further simplification in the processes and requirements for the entire way we are required to do business.

As a national organisation operating in multiple States and Territories we utilise significant resources adhering to the different State requirements for fundraising including registration, licences and compliance and we support a move toward a single registration process for fundraising in Australia.

Similarly we are the recipient of a range of Government grants from both State and Commonwealth governments and we call for a simplification of these structures so that an organisation can 'report once and use many'.

We supported the establishment of the Australian Charities and Not-for-profits Commission (ACNC) because we believed that it would provide efficiencies for the sector, reduce red tape and provide a single point for the public to check on an organisation.

For a number of reasons the ACNC never realised these potential benefits but they are laudable goals that should not be lost in the abolition of the ACNC.

### About Vision Australia

Vision Australia is an economically significant national NFP organisation.

In 2012/13 we spent approximately \$90 million providing services, including approximately \$32 million derived through Local, State, Territory and Federal government sources.

The remainder of our revenue was derived from investment, social enterprise activity, sales of equipment for use by the blind and vision impaired, supported by considerable fundraising efforts.

We employ approximately 700 full time equivalent personnel, operate 28 offices and provide services to close to 35,000 Australians who are blind or have low vision and their families, on a regular basis.

### Proposed New Reporting Arrangements

In response to the proposed new reporting arrangements briefly canvassed in the Options Paper, Vision Australia currently maintains a publicly accessible website that features the names of responsible persons, the details of all funding received from Government and Financial reports.

Therefore these proposed requirements would neither increase nor reduce the time currently consumed by Vision Australia to meet them nor would we need to make any changes to meet the new requirements.

We cannot foresee any impediments to charities complying with these requirements and we believe that they would help to ensure public transparency for charities and not-for-profits.

### Determining Charitable Status.

Under the replacement arrangements, responsibility for determining eligibility for charitable status will return to the ATO.

There are understandably some concerns in the sector regarding the potential for the ATO being responsible for determining the eligibility for tax concession and also being responsible for raising revenue.

However, Vision Australia is not particularly concerned about this conflict of interest.

Vision Australia is clearly and obviously a charity under the relevant legislation. This is not something that is open to interpretation.

On a broader policy level we prefer the first option canvassed in the Paper as a safeguard which is the establishment of an independent panel made up of external experts who would provide advice on objection raised by charities that disagree with the initial ATO assessment.

We think that it would be more complicated and problematic to set up a 'Chinese Wall' scenario within the ATO and we believe that the perception of an independent assessment is also important and would only be achieved with an independent assessment.

### Proportionate Compliance Framework

Vision Australia shares the Government's support for compliance arrangements being simple and efficient and ensuring appropriate accountability for Commonwealth funds and activities that benefit from tax concessions. We support the notion of a 'rebuttable presumption of virtue' and the proposed focus on areas of high risk.

We see no reason why this approach may not work and no particular risks that we need to raise.

As previously discussed Vision Australia spends a lot of time acquitting our Government grants against a wide range of reporting criteria and in a wide range of formats. Vision Australia supports a simplification of this acquittal structure.

### Transitional Arrangements

Vision Australia agrees with the need for transitional arrangements, however as previously explained, we already have the necessary details on our website so are not concerned by the amount of time provided to do so.

Similarly we are not currently awaiting an assessment of our charitable status so are not concerned regarding the transfer of an outstanding assessment to another organisation.

We are comfortable with any information on our organisation currently held by the ACNC being transferred to the listed regulatory agencies.

### Conclusion

In conclusion, Vision Australia was not required to undertake any restructure or significant changes to meet the requirements of the ACNC. It was effectively business as usual at Vision Australia.

The abolition of the ACNC and the return of the regulatory powers to the other agencies will not present Vision Australia with any difficulties but nor will it present us with any efficiencies.

As noted in our introduction we believe that there is red tape to be cut by Government particularly in relation to governance arrangements for fundraising and government grants and we call on Government to focus on these areas.