



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): Alastair McEwin

If submitting on behalf of a company or organisation

Name of organisation: Community Legal Centres NSW Incorporated (CLCNSW)

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

State/Territory: NSW

Contact email address: alastair_mcewin@clc.net.au

Response to Options Paper:

Questions for Discussion – Compliance Framework

- Are there any reasons why this approach may not work?
- Do you foresee any risks in this approach?

Community Legal Centres (CLCs), like many small Non-Government Organisations (NGOs), experience significant resource limitations due to small staffing structures. This includes their ability to provide a myriad of reports and adhere to regulatory frameworks in a timely and comprehensive manner. Whilst CLCs operate in a transparent manner, we also seek to operate in ways that are efficient and cost-effective and ideally in an environment free from bureaucratic constraints.

CLCNSW welcomed the introduction of the ACNC as a way of reducing the need for CLCs and other NGOs to comply with what was an overly bureaucratic approach to reporting and compliance. Any approach to change this and revert to previous arrangements will now mean a return to burdensome compliance regimes for CLCs.

To the extent that it could for its short life, the ACNC's reporting arrangements were easier and more accessible than ASIC or the ATO. The only drawback with the introduction of the ACNC was that it was established and imposed additional reporting requirements before arrangements were made to transfer other Commonwealth and State/Territory requirements into it. It should have been done through COAG and only launched when arrangements agreed to. Ultimately, though, the principles of ACNC were sound and would have led to less cumbersome reporting and compliance requirements for CLCs.

CLCs experiences have been that both ASIC and the ATO have approaches and policies that are unsupportive of NGOs, particularly very small ones, and impose fees and penalties for non-compliance.

One of the early ideas for the ACNC was that NGOs could lodge once only all supporting documents required for every funding application for any government funding source without having to resubmit each time to each agency; it would be ideal if this concept could be maintained in any new arrangement replaced by the government.

We note that there is a Civil Society National Centre for Excellence being established. We recommend that any replacement structure should not duplicate this new centre.