



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.



The Salvation Army

Australia

The Salvation Army Australia

Submission made on behalf of The Salvation Army Australia Eastern Territory and The Salvation Army Southern Territory

Response to the

Options Paper – Australia's Charities and Not-for-profits

Options for Replacement Arrangements following the abolition of the Australian Charities and Not-for-profit Commission

August 2014

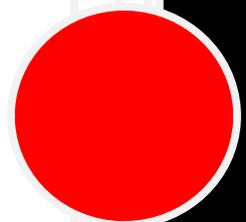
For further contact:

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If submitting on behalf of a company or organisation

Name of organisation: The Salvation Army National Secretariat on behalf of The Salvation Army
Australia Eastern and Southern Territories

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

State/Territory: Australia wide

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Response to Options Paper:

The Salvation Army is the most recognised charity in Australia. The Salvation Army's services are open to all, without discrimination. The foundation of The Salvation Army and its current ethos affirm its religious commitment and its social commitment as equal and indivisible. The Salvation Army describes this as a "holistic mission".

The Salvation Army is an evangelical part of the universal Christian Church. Its message is based on the Bible and its ministry is motivated by love of God. Its Mission is both spiritual and practical, encompassing the preaching of the Gospel of Jesus Christ and alleviating human suffering and distress without discrimination.

The Salvation Army has been involved in numerous consultations over the preceding years in relation to the development and implementation of a charity regulator and associated commitments to the reduction in red tape the charitable sector is faced with from a variety of sources.

In view of the direction the Government has decided to take to abolish the Australian Charities and Not-for-profits Commission (ACNC) The Salvation Army appreciates the opportunity to make a contribution.

The Government's release of the *Australian Charities and Not-for-profits Commission (Repeal)(No.1) Bill 2014* and *Options Paper – Australia's Charities and Not-for-profits* has not provided The Salvation Army with sufficient information to enable The Salvation Army to make an informed decision about the impact of the Government's decision to repeal the ACNC on the overall Australian charity sector.

The Salvation Army is concerned potential changes could negatively affect the efficiency of the sector, the independence of the sector, the rights of the sector to advocate freely, and the loss of any potential for red tape and regulatory reduction to be achieved.

The Options Paper proposes new reporting arrangements for charities. The Salvation Army recommends any guiding principles created in this new reporting regime are established with the principles of practicality, affordability and most importantly relevance of the information being requested. The Options Paper has included three types of information proposed to be reported on and The Salvation Army is concerned the above three listed principles are not being met. The Salvation Army notes the second item to be reported on in the Options Paper requires "*Details of all funding*

received from Government (Commonwealth State and Local)” is more onerous than even current reporting obligations for the sector. It is therefore requested this requirement be reviewed to be consistent with the Government’s overall intention for reduction of red tape for the sector.

It is noted the current ACNC has established a public register and whilst the register is in its infancy, consideration should be given by the Government to identifying how some components of the register can be maintained to ensure the sector is not being imposed with new costs in establishing their own private register of information which is in turn required to be open to the public.

The Options Paper indicates the Government’s intention to return the Australian Taxation Office (ATO) as the gate keeper of charity determination, The Salvation Army believes this is a retrograde step. There have been numerous reviews and reports addressing this issue in recent year and even the ATO publically stated in 2001:

“Additionally, administration would be better served by a single, independent common point of decision making on definitions leading to conclusions about whether organisations are charitable or non-profit, such as occurs with the Charities Commission in the UK for example.”¹

The Salvation Army notes however the Government’s stated direction and intention in this regard and submits any such return to the ATO requires at a minimum legislative and binding protections for the sector that address the ability to have independent reviews of ATO decisions which do not involve Courts and associated costs which many charities cannot meet. It will not be sufficient to merely have an advisory panel which makes non-binding recommendations to the ATO.

The Salvation Army also observes that as a result of empowering the ATO as the determiner of charitable status there will be no requirement for the objective of achieving harmonisation of charitable status (a key component in reducing regulatory red tape of the sector) across the States and Territories to be met.

The Salvation Army notes under the Transitional Arrangements section of the Discussion Paper there will be time given to organisations to ‘update their website’. For organisations such as The Salvation Army this practically should not be an issue, the assumption however that every charity in Australia has a website to update needs to be tested and the Government should take care to ensure the charitable sector of Australia is not subjected to unnecessary costs and compliance burdens.

The Salvation Army anticipates there will be further opportunities to review more detailed Government plans for the charitable sector in the future and welcomes opportunities to contribute as is appropriate.

¹ Australian Taxation Office submission to Inquiry into the Definition of Charities and Related Organisations 2001 paragraph 9