

Written Submission in response to the Options Paper, Australia's Charities and Not-for-profits

Name: Tony Woodyatt

Name of organisation: Queensland Public Interest Law Clearing House Incorporated

Stakeholder category (e.g. service provider, client, peak body, academic): Service provider
(QPILCH is a NFP organisation and also facilitates legal advice for other NFPs)

State/Territory: Queensland

Contact email address: director@qpilch.org.au

Response to Options Paper:

1. Proposed New Reporting Arrangements

• Do you believe that these proposed requirements will be less time consuming than current requirements?

We support the proposal for charities to be required to feature certain details about funding and financial reports on their websites. This particular feature will make reporting less time-consuming for charities, provided that agencies access any required reports from charities' websites, and do not ask the charities to also separately provide reports directly to the agency.

However, the change back to dual oversight by the ATO and ASIC will be more time-consuming for charities to manage compliance and the red tape of two organisations rather than one. The ACNC had saved time for charities by providing resources and information about reporting requirements all in one place.

• What changes would your organisation need to make to meet the new requirements?

QPILCH will need to post the aforementioned information on its website and, in terms of any other new requirements, will need to ensure it remains abreast of any other requirements imposed by other regulatory agencies.

• Do you foresee any impediments to charities complying with these requirements?

Yes. While charities may be able to provide details on their websites as proposed by the Government, in order to ensure their ongoing compliance with all reporting requirements, charities will need to monitor the requirements of various agencies. Currently the ACNC website provides a single, reliable source of information for charities and their reporting requirements, and this makes it easier to manage a charity's reporting.

• Do you believe these requirements will provide transparency? If not, what changes would you make?

The current reporting requirements have enabled the creation of the ACNC Register and this is a valuable tool for transparency. Any time impost on charities registering with the ACNC was more than worthwhile because of the usefulness of the Register in providing a single, searchable database of all charities.

It is particularly useful to have information about all charities presented in a consistent way, including the Annual Information Statement.

QPILCH gave considerable thought to its Annual Information Statement and recognises this as vital information for donors considering which charities to support.

QPILCH also facilitates assistance to charities by matching eligible charities with law firms willing to provide pro bono assistance. The ACNC Register assisted QPILCH to assess charities for their suitability for pro bono assistance.

2. Determining Charitable Status

- ***Which of these options do you believe best guarantees the independence of the decision making process?***

NA

- ***Are there any other considerations that should be taken into account when these functions are undertaken?***

NA

3. Proportionate Compliance Framework

- ***Are there any reasons why this approach may not work?***

In order to ensure their ongoing compliance, charities will be required to monitor the requirements of ASIC, ATO and State and Territory governments.

This will be more time-consuming for charities and place some organisations, particularly those that are smaller and have fewer resources to monitor their compliance requirements, at greater risk of non-compliance.

The ACNC had provided a single point at which charities could obtain information about their obligations and reporting requirements.

- ***Do you foresee any risks in this approach?***

The proposed dual role of the ATO and ASIC is likely to increase red tape rather than decrease it, while the stated aim of the changes is to reduce regulatory burden on the sector.

4. Transitional Arrangements

- ***What other transitional arrangements might be required?***

NA

- ***Are there things the Department could undertake to assist charities with this transition?***

A significant amount of work has gone into the creation of the ACNC, including input from charities themselves. Once established, the ACNC has reduced red tape for charities by being a 'one stop shop', providing information and resources for charities, maintaining the ACNC Register and working to standardise legislation and reduce administrative burdens on charities.

Charities would be assisted by the continuation of the ACNC, avoiding the need for a transition back to a scenario with multiple regulators.

In terms of the ACNC Register, charities and the general public would be assisted if the Register were maintained rather than being archived. The Register is a valuable resource and its utility in assisting with the transition to the new arrangements could be continued by making an updated Register available not only to the various regulators but to the general public and charities themselves.

- ***What factors should be considered in relation to the timing of the new arrangements?***

NA