

Financial Counselling Service

3 April 2013

Manager
Philanthropy and Exemptions Unit
The Treasury
Langton Crescent
PARKES ACT 2600

by email: nfpreform@treasury.gov.au

Postal Address

PO Box 763
Civic Square ACT 2608

Dear Manager,

Re: Submission – A definition of charity

Care Inc Financial Counselling Service (Care) has been the main provider of financial counselling and related services to low to moderate income and vulnerable consumers in the ACT, since 1983. Care's core service activities include the provision of information, support and advocacy to low income and vulnerable consumers experiencing problems with credit and debt. Care also has a Community Development and Education program, makes policy and law reform comment on issues of importance to its client group and has operated a No Interest Loan Scheme (NILS) since 1997.

The Consumer Law Centre of the ACT (CLC) is a project of Care that offers legal assistance in the area of credit and debt, consumer protection and fair trading. In addition to casework, the CLC advocates and provides policy comment on local, territory and national issues to improve legal protection, and raise awareness and understanding of consumers' rights in the ACT.

We would like to thank you for the opportunity to comment on the proposal to create a statutory definition of 'charity'. We support the move to create a statutory definition of charity and to establish the new Australian Charities and Not-for-profits Commission (ACNC) to take on the responsibility of assessing and registering charities within Australia.

Organisations who receive a charitable status receive some benefits such as Federal Tax Concessions. These benefits assist many organisations that are reliant on limited government or other funding to provide appropriate services to their clients and to support their staff. We are therefore pleased that the government is consulting on the introduction of a statutory definition of charity and that they appear to be willing to be flexible in establishing this definition.

As the proposed definition will have little effect on our status as a charity we have no major submissions to make.

However, we would like to make one submission in relation to the disqualifying activity of being involved with political advocacy, due to its potential effect on the activities of our organisation. Both CARE and the CLC engage in advocacy and make submissions to government in support of systemic change to consumer protection laws. Consumer organisations frequently advocate for regulatory reform to ensure fairer outcomes for their clients and to improve social inclusion and equity. This might include written submissions, lobbying and involvement in policy forums. This advocacy is in no way tied to any particular political party.

As a consequence, we support the proposal to incorporate the decision of the High Court in *AID/Watch* into the statutory definition of charity. In particular, we support the proposal to allow a charity to engage in advocacy activities that are in line with the objects of the organisation and fall within a charitable purpose. This definition will allow us to continue to advocate for the development of strong and effective consumer protection, which is an integral part of our service to the community.

Finally, we are in favour of a process that requires organisations applying for charitable status to demonstrate public benefit. However, it is important that the process is transparent and that it does not place an onerous burden on already busy organisations. Using information that is already publically available such as annual reports and information on websites would seem to be adequate.

Yours sincerely,

Carmel Franklin
Director

Dara McDaniel
Solicitor