

Dear Mr Leggett,

I am writing on behalf of the convocation of not-for-profit donors and employees to give a submission on the governance arrangements for not-for-profit organisations.

Our membership numbers over 120 caring, passionate and committed individuals who are volunteers, employees or donors to 87 charities and public benevolent institutions from every state and territory except the Northern Territory.

Our members mostly work on the front line in charities, although some have held or do hold management and executive positions. Our members who are only donors are just simple people, they are not corporate philanthropists but everyday Australians.

Because so many submissions to Government in recent years have been from academics – with well intentioned theories but sometimes limited front-line experience, lawyers – sometimes with an eye to fees for the preparation of submissions, for prestige of their firms and for ongoing controversy to fuel their controversy practices, and charity executives or lobby groups – who sometimes have cosy relationships and privileged positions to maintain, we reached out to everyday people with front line experience in charity work and collected all of their ideas.

Where we could, we quote actual words from members. You must understand that members spent most time providing comments on the legislation and had less time to comment on this paper.

We hope that you give as much serious consideration to our views as you do to those of the big name charities, lawyers, academics and lobby groups.



M. Allen-Crosby

On behalf of the convocation of not-for-profit donors and employees

General

"The sooner that all of the CATSI, ORIC and ASIC and State trusts entities can be brought under the ACNC and uniform rules the better."

We think that there may be attempts to delay bringing all charity governance under the ACNC until lobby groups and lawyers can be certain that the ACNC can be made to work for the sector rather than for the public.

Question 1 and Question 2

"The responsible person should consider the interests of the unrelated anonymous member of the public first and foremost."

If they have to consider the interests of a donor, then the donor is a controller and the donor did not truly provide a gift but has purchased the forbearance of the charity.

If they consider the wishes of government they are a creature of government and no longer a charity.

"They should consider the beneficiary or the person being helped."

Question 3

Paragraph 91 ideas seem good except that the duty to the entity should be second to duty to the anonymous member of the public. If a charity is for public benefit, then the objects of a charity should be for public benefit, so saying that a duty to the entity implies a duty to public benefit. However our members wanted a clearer and direct statement.

Question 4

Ideas in paragraph 96 seem like a good start.

Question 5

If responsible persons must have qualifications that say they are accountable to the public, it should be the Australian public.

Question 6

No comment.

Question 7

"The lobby groups and lawyers will talk about all sorts of obstacles. They should be told to build a bridge and get over it."

High level model duties for consistency would be helpful.

Question 8

No comments from members.

Question 9

Higher risk or different risk charities should have different thresholds.

"Those that take money from the public in grants, FBT, GST, income tax and DGR concessions should have extra reporting to the public. Those that opt for running a business should have rules like for company directors."

Question 10

If a charity is allowed to run a business, the responsible person should have to be subject to the same rules like a company director.

Question 11

No comments from members.

Question 12

It is OK to tell the wages of the responsible person, but they should also tell the wages and benefits of the top 5 biggest wages in the charity. If a charity is grouped it should be the wages of the top 5 biggest wages times the numbers in the group, so it is 10 for a two charity group, 15 for three charity group et cetera.

"Salary and benefits might be disclosed in bands, so things like \$40K - \$60K, \$60K - 80K, \$80K to 100K etc. For government agencies if you know the level of the person you know the wage range. For judges and other public officials you can look it up."

The public need to know that you must pay fair salary for a well run charity, and they should be suspicious of too low, or too high a salary.

Question 13

Suggested criteria seem like an OK minimum.

Question 14

No comments from members.

Question 15

No comments from members.

Question 16

This is difficult as there are different sorts of risks. Operating risk for a health charity might be different for a aged-care charity might be different for a needle exchange and food kitchen charity.

"This seems to be about misuse of funds. I think that there should be rules but I don't know where to start."

Question 17

No member comments.

Question 18

This is difficult. Sometimes it is expensive for some organisations which may not have public risk.

Question 19

No member comments.

Question 20

No member comments.

Question 21

No member comments.

Question 22

The ACNC should say the minimum requirements.

Question 23

ACNC should enforce the rules.

Question 24

If a charity is not a charity any more, the ACNC should deregister it and make sure the assets go to a real charity. Two members from Victoria talked about a charity that was revoked by the tax department but which keeps using charity assets in Victoria not for charity.

If a charity loses too many points to be registered any more, it justs gets a suspension and assets frozen until they sort out the problems.

Question 25

No member comments on this or later questions.