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28 February 2018

Mr Murray Crowe
Individuals and Indirect Tax Division
The Treasury
Langton Crescent
Parkes ACT 2600
By email: ACNCRReview@treasury.gov.au

Subject: Review of Australian Charities and Not-for profits Commission (ACNC) legislation

Southern Tablelands Arts Inc is a Not For Profit arts organisation. We are the peak arts and cultural agency for the region through our investment in and development of meaningful cultural development programs and services. We are based in Goulburn NSW and work across a region of 7 local government areas including: Hilltops, Goulburn Mulwaree, Queanbeyan-Palerang, Upper Lachlan, Wingecarribee, Wollondilly and Yass Valley. The organisation has a Board of between 7 – 10 members. The Board is skills based with members bringing a range of skills and experience to the organisation across areas including law, governance, finance, local government, project management, HR, marketing, education, arts, culture and heritage. There are 3 staff including Executive Director, Projects and Communications Officer and Admin Officer.

There is a mixed socio-economic picture for the region however there is a significant rate of disadvantage as measured on the SEIFA Index in our communities including low incomes, high youth unemployment, high levels of public housing, low levels of education, geographic disadvantage and inter-generational disadvantage. Six of the seven local governments experienced population growth year on year for the last few years.

Southern Tablelands Arts is registered with the ACNC as a NFP organisation with charity status. We have not sought DGR status to date but may well do so in the future.

On behalf of the Board, I note that this organisation values the work of the ACNC and has appreciated the information provided in reports and available on the website to build capacity on the NFP sector, the ability to update and self-manage Board information year on year. It is also notable that despite the NFP sector being extremely diverse in scale, type of service, volunteer based or having employees, that the ACNC has been a statutory vehicle that has provided a platform for rationalisation and improving the quality and capacity of the NFP sector. No doubt there is a way to go given the scale and diversity of the charities and NFP sector however we commend the ACNC for its work.

We are not in a position to comment on all areas of focus but make the following points:

The Board's view is that the objects retain contemporary relevance to the ACNC Act. The Board supports the objective of reducing unnecessary red tape for the NFP sector. It is difficult to assess how effectiveness would be measured across such diverse scales of NFP/charity activity and service models.

The Board expresses concern if there is any further focus to lose the diversity of the NFP/charity sector by reporting models that increase red tape without improving the capacity of the sector to deliver services. The growth and expansion in the large-scale charity sector has been at the expense of smaller NFP/charity operators who can often be more nimble and responsive to issues in their local communities. There are people in this community that know stories of estate funds from a will, absorbed by a large charity that were not used as intended i.e. to support local services in the Goulburn community such as for women and children escaping domestic violence.



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With regard to behaviours: there is an issue of public loss of trust in some of the large scale charities renowned for their work in Australia and overseas who are seen to collect funds to deliver aid projects yet consume much the donated funds on operational areas; there is also concern relating to protection of the vulnerable such as children and the elderly from various forms of abuse including sexual abuse. It is difficult to see how the ACNC might be expected to oversight some of these issues.

There needs to be financial support to enable the NFP/charity sector to keep conversant with all regulatory responsibilities from meeting fiduciary duties, employment law, risk management, etc. There are considerable costs associated with Board members and staff being able to attend training. For an organisation like Southern Tablelands Arts, the ability to fund more than one Board member to attend a training program in excess of \$1,000 in any year is prohibitive. This organisation does not know of public funding available to support Board, senior staff training. While we are aware of company executive training, the costs are prohibitive.

We understand that this review is of the NFP/charity sector however we believe it is vital to ensure that business not just the NFP/charity sector is subject to such scrutiny.

We believe the model of annual updating and reporting to ACNC following the AGM and annual reporting cycle provides an excellent model for transparency to both the ACNC and the wider public. We note that we have similar reporting processes required to the NSW Office of Fair Trading. It could be helpful to see if there are ways to streamline these reporting requirements.

We are not aware of gaps in the current regulatory framework that would prevent the objects of the Act to be met. We do not know what 'other classes of NFP' are to be considered. We would recommend that new NFP classes be clearly defined to reduce ambiguity.

This organisation does not support lower levels of scrutiny, reporting and accountability for religious charities and NFP organisations.

Yours sincerely

Susan Conroy
Executive Director