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From: IMLA Account <imla@imla.org.au>
Sent: Friday, 17 August 2018 5:11 PM
To: External Conduct Standards
Subject: Enquiry about: External conduct standards for charities registered with the Australian Charities and Not-for-profits Commission

My only comment is that the proof that money is being spent entirely as intended is going to be difficult to achieve. Because of that Charities will be fabricating documents on a vast scale to give the impression of complying because it is so much easier than trying to get overseas nationals in developing countries with very different ethical standards to that of Australia in general.

When your objective includes indigenous capacity building an essential part of that is trusting them with money. My experience in PN6 is that you cannot even trust a professional barrister to handle funds ethically. Not because they are evil but because their values are different to those of most Australians. However if you do not show some trust as good faith you will never make any progress. The result of this policy will be that more Australians will be engaged in doing simple things that would be good capacity building exercises simply because they know that paper trails will be lost and some funds will be misused by Australian standards. Charities will take on a colonial character for fear that these discrepancies will reflect badly on them.

My suggestion is that the increased accountability policies only be applied to sums of money in excess of \$5000.AUD

We are not talking about money diverted to terrorism or drug trafficking We are talking about money used to pay for Medicine, food, rent, private vehicle repairs etc.

Changing ethics values is a generational process and this will not act to improve things but actually drive things backwards unless some discrepancy is written into the policy that gives developmental charities the freedom to take risks with people. Charities are about and for people not money. People are sacred not the money.

The other problem is that this will drive up the cost of administration of international charity work. This is what donors hate more than anything is money being consumed by admin rather than being spent on humanitarian outcomes. This policy will mean that \$10 will be spent to make sure that \$1 is not misappropriated. Again an amount between \$5000 to \$10,000 needs to be at the discrepancy of the charities or it will just be another time and money wasting layer of bureaucracy.

Thanks.

Carl Musch