



Submission to The Treasury

Australian Charities External Conduct Standards

September 2018

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Introduction

Missions Interlink welcomes the opportunity to put forward its views on the External Conduct Standards Draft and engage with Treasury on this significant issue.

We note that the proposed Standards “...are intended to promote transparency and greater confidence in the not-for-profit sector across the community and general public that funds sent and services provided overseas by the registered entity are reaching legitimate beneficiaries and being used for legitimate purposes.” While Missions Interlink supports this purpose and commends the Australian Government in seeking to meet various international obligations, we have concerns that it will significantly increase the compliance load of many of our constituents.

About AEA MI

Missions Interlink is a national network of Christian organisations with a role in the cross-cultural and global mission. It is a member-based organisation representing 145 charitable organisations that are registered and controlled in Australia. A large percentage of Missions Interlink constituents operate principally outside Australia in mission and humanitarian work or work with third parties that do so. As a result, they will be required to comply with the proposed External Conduct Standards.

Summary of Concerns

Missions Interlink wishes to make two recommendations for amendments to the proposed Standards, or request that the implementation of the Standards take into account the issues concerned:

1. Public release of country by country information

Standard 2 requires the collection of information on an entity’s activities conducted outside Australia, and on resources and funds provided to third parties operating outside Australia, so that an annual summary can be provided on a country by country basis to the ACNC as part of the entity’s Annual Information Statement (AIS). We do not object to this requirement. However, many of Missions Interlink’s constituents work in overseas countries or collaborate with third parties in such countries, where the provision of legitimate and legal services and activities can be culturally sensitive.

Many organisations operate in the countries where conflict, corruption and discrimination of human rights occur. Therefore any public disclosure of those countries (even in summary form) could cause significant issues for our constituents and their workers, or may endanger the members of the local communities that are connected to, or served by the organisations.

Missions Interlink

Missions Interlink does not object its constituents be asked to provide the proposed summary information to the ACNC as part of their AIS. But we strongly recommend that all reporting under these conduct standards other than generic statements by default should not be available on the public record, or there should be provision made for an entity to create a separate application for information about its activities outside Australia to be withheld.

Most of Missions Interlink's constituents have no objection to the current information about them on the ACNC website being made public, including their AIS's. However, the release of information about the countries outside Australia in which the organisations are operating directly or in conjunction with a third party would place some Australian and overseas workers, and the people they assist in danger.

2. Duplication of accountability

The proposed Standards require charities that work outside Australia in partnership with third parties to assure themselves that the services or activities provided by those third parties comply with the External Conduct Standards. However, where the third party organisations are also registered charities subject to regulation by the ACNC, they too will be required to meet the External Conduct Standards. This means that there will effectively be double accountability and compliance from both a funding/resourcing organisation and the third party partner organisation, increasing compliance load and cost for both organisations and potentially outweighing the benefit of it. Both organisations will be required to assure themselves that the same funds and resources are being used legitimately and properly, and then report to the ACNC.

Missions Interlink strongly recommends that entities not be required to meet the Standards with respect to other Australian third-party organisations with which they are in partnership, where those third parties concerned are registered charities with the ACNC. We request that the Standards be worded accordingly.

We should be very grateful if both these issues could be taken into consideration by Treasury, and the wording of the proposed Standards be amended to reflect these requests.

Should you wish to discuss any of the above further, please do not hesitate to contact Missions Interlink.

Yours sincerely,

Nataliya Osipova

National Director