

## Submission

### **Proposed External Conduct Standards for charities registered with the Australian Charities & Not-for-Profits Commission**

#### **by Steer Incorporated (ABN 99 004 552 809)**

I write as Chair of Steer Incorporated, which is a charity registered with the ACNC. One of Steer's activities is to provide funds for a range of Christian organisations based in Australia and overseas, many of which operate outside Australia. As such, Steer will be required to comply with the proposed External Conduct Standards.

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.*" We support this purpose, and also acknowledge that the Australian Government is required to meet various international obligations.

For these reasons we do not oppose the introduction of the proposed Standards, although it will significantly increase the compliance load on our organisation.

Nevertheless, we do wish to request that the proposed Standards be amended on two points, or that the implementation of the Standards take into account the two issues concerned:

#### **1. Public disclosure 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, a number of the organisations in Australia and outside Australia to which Steer distributes funds, operate in overseas countries where the provision of legitimate and legal services can be culturally sensitive. We are therefore concerned that public disclosure of our involvement in providing funds which are used in such countries (even in summary form) may endanger the work and lives of the staff of the third party organisations involved, or may endanger the members of the local communities that may be connected to or served by the third parties involved.

We do not object to providing the proposed summary information to the ACNC as part of our Annual Information Statement, **but we strongly request that provision be made in the Standards for a request that this country by country information not be publicly**

**disclosed where there is a legitimate and reasonable reason for the information not being disclosed.**

The ACNC already allows a charitable organisation to apply for its information to be withheld and not placed on the ACNC's website when information about the organisation could endanger public safety or could harm the charity or persons (such as workers or beneficiaries). However, we believe that provision should also be made for an entity to make a separate application for information about its activities outside Australia to be withheld. For example Steer has no objection to the current information about it on the ACNC website, including its AIS's, being made public, but release of information about the countries to which Steer sends funds through other Australian charities or third parties outside Australia 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 with third parties operating outside Australia to assure themselves that the activities of those third parties also comply with the External Conduct Standards. However, where the third party organisations are registered charities subject to regulation by the ACNC, they also will be required to meet the External Conduct Standards. This means that there will effectively be double accountability and compliance from both the funding/resourcing organisation and their third party, where both organisations will be required to assure themselves that the same funds and resources are being legitimately and properly used, and report summary information to the ACNC.

Steer provides funds to a large number of Australian charities which themselves operate outside of Australia. Those charities are registered with the ACNC and will therefore themselves be required to meet the External Conduct Standards. **We strongly request that entities not be required to meet the Standards with respect to other Australian third party organisations receiving funds or other resources, 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.

We will be happy to discuss these matters further if required.

Yours sincerely,



Donald Naunton  
Chair

STEER INCORPORATED  
P O Box 211  
BOX HILL VIC 3128

Web: [www.steer.org.au](http://www.steer.org.au)  
Email: [steer@steer.org.au](mailto:steer@steer.org.au)