

Senior Advisor
Not-For-Profit Unit, Not-for-profits and Tax Administration Branch
Treasury Melbourne
Level 16, 530 Collins Street
Melbourne VIC 3000

Submission on ACNC Governance Standards

To whom it may concern,

I am writing regarding the proposed changes to Governance Standard 3 of the *ACNC Regulation 2013*. I am very concerned about these changes and strongly object to their proceeding in any form. In my view, Charities are a critical pillar of society and essential for the proper functioning of Australia's democracy. The proposed changes would unreasonably impact on the way that charities can make positive change.

My name is John Preston, and I am the founder of Auxilium Foundation which is set up to assist and help various charities. 100% of our funding is directed at Charities in the environmental space. I am a member of the Australian Environmental Grantmaking Network (AEGN) who in turn support a group of environmental donors and whom I am sure would feel very strongly about the changes proposed.

The changes proposed to Standard 3 are unnecessary, they appear to reach much further than required, and would heavily limit a charity's ability to contribute to freedom of expression and achieve its mission to bring about change for good. The changes atre effectively linking deregistration to a vast array of minor summary offences, the proposal would restrict current legitimate and lawful policy advocacy.

Like every other member of society, charities and their staff already face penalties for breaking the law, as well as the additional sanctions already existing under charities law. To add another unnecessary restraint that proposes that charities could be deregistered based on the chance of a future act occurring, or inadvertently as a result of a member of staff being involved in a summary offence, is unnecessary and singles out charities in a way unparalleled in the private sector. I just don't see the point of it. The current law adequately covers everyone and all organisations equally. This proposal is biased.

Furthermore, the proposed changes directly contradict the findings of Patrick McClure's 2018 government-commissioned review of the ACNC legislation which found the existing governance standard 3 is not appropriate, already overreaching, and should be

repealed in its entirety. The Commissioner's role should be to regulate charity law and its focus should be on ensuring charitable purpose does not fall into unlawful realms, while police investigate criminal laws. This proposal represents a further step towards the government judging charities on the individual actions of their employees rather than their charitable purpose.

The proposed changes to standard 3 would also add a further administrative burden, redirecting funds to compliance rather than focusing donations on their charitable purpose. As a donor this is something, I feel is unnecessary and wasteful.

Charities are already covered by burdensome regulation, as recognised by multiple government inquiries, and in many instances have reporting requirements to multiple government agencies. The new standard 3 changes proposed would also create a barrier to entry for smaller charities who do not have sufficient capacity to comply with the already complex minimum legal requirements.

These proposed changes are overwhelmingly draconian, inappropriate and not fit for purpose here in Australia. They would also provide the government with the ability to eliminate its opponents, breaching our democratic societal values. It paves the way for an organisation to be deregistered merely because one of its staff members voiced support for a peaceful protest on social media at which a minor summary offence was breached, this is not a society I would want to be part of, as it creates poorer outcomes for the ability of the public to participate, either as individuals or in combination with others.

There seems to be no justification given as to why currently existing penalties are inappropriate, and why the complete deregistration of the charity is preferable to other responses.

Due to the reasons noted above, the proposed changes should be withdrawn in all forms. I trust that my concerns will attract genuine consideration and thank Treasury for the opportunity to put them forward.

Kind regards,

John Preston
Auxilium Foundation 0410 311 833