



12 March 2021

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

By email: [charitiesconsultation@treasury.gov.au](mailto:charitiesconsultation@treasury.gov.au)

Dear Senior Advisor,

### **Charity Submission - Unlawful activity – proposed changes to Governance Standard 3 for registered charities**

In response to the proposed changes to Governance Standard 3 in the *Australian Charities and Not-for-profits Commission Regulation 2013*, the St Vincent de Paul Society Queensland (Society) formally submits that these proposed changes are, at their heart, poor law reform that does not achieve its intended outcomes and should not proceed.

#### **About the St Vincent de Paul Society Queensland**

The Society is a lay catholic organisation that provides a "hand up" to people in need in the State of Queensland. In the 2019-2020 financial year, the Society provided \$272M in services and support to people in need in Queensland. It has also supported Queenslanders on 279,689 occasions through its programs and special works, including home visitations, providing housing and homelessness support services and Centres of Charity.

The Society is a registered charity and public benevolent institution with the ACNC. To continue to support people in need, it is essential for the Society to maintain its registration with the ACNC and maintain its DGR status with the ATO.

#### **Concerns regarding proposed changes**

The Society considers the proposed changes to the ACNC regulations are unnecessary and an overreach. It is concerned the changes will create uncertainty and impose unreasonable and discriminatory burden on charities.

At a high level, the Society is concerned that:

- Charities could be deregistered even if they haven't committed an offence – failing to take reasonable steps to ensure resources are not used to that end appear to be sufficient grounds for deregistration;
- Charities could be deregistered because of what they might do in the future – the test is "more likely than not" and not when something that has actually taken place;
- Charities could be deregistered for minor offences, including inadvertent acts and conducts of its employees and officers;

- The ACNC Commissioner has broad discretion whether to revoke a charity's registration, which involves a highly subjective assessment;
- Charities could be deregistered for failing to keep adequate records about their compliance with governance standard 3; and
- Charities could be penalised for not notifying the ACNC Commissioner of 'significant' non-compliance – it will be very difficult for charities to make the assessment and brought to the ACNC Commissioner's attention.

In our view, the proposed new rules will likely:

- create uncertainty and impose unreasonable and discriminatory burden on charities;
- unfairly target charities in a way unparalleled in the private sector;
- restrict legitimate and lawful policy advocacy; and
- place an enormous administrative burden on charities.

In addition to the above, the Society is also concerned that the proposed new rules constitute regulatory duplication. The agency empowered under relevant legislation with primary responsibility should be the enforcement agency, not the ACNC. The Society therefore formally submits that these proposed changes are, at their heart, poor law reform that does not achieve its intended outcomes and should not proceed.

Should you require any further information, please do not hesitate to contact the undersigned.

Yours faithfully



**Joe Duskovic**  
**General Manager, Governance & Risk**

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