

# Review of the *Australian Charities and Not-for-profits Commission Act 2012*

## Submission from the Community Services Industry Alliance

### Organisational background

The Community Services Industry Alliance (CSIA) aims to increase the capacity and viability of community service organisations and secure a prosperous future for the community services Industry.

CSIA's Foundation members represent organisations delivering human and social services across a wide range of areas including health, aged care, disability services, child protection services, housing and homelessness and more. Some of CSIA's members are registered with the ACNC and have deductible gift recipient status.

CSIA will grow the business of the Community Services Industry by:

1. Engaging internally and externally with organisations and stakeholders on industry development matters.
2. Influencing and advocating for policy reform, representing the industry at all levels of Government and with other industries.
3. Informing and educating on industry benchmarks, best practice and organisational development.
4. Leading the industry in identifying challenges and acting on opportunities such as increasing productivity and innovation.

More about CSIA is available [here](#).

### General Comments

CSIA raises three points in relation to the review.

1. CSIA supports the operation of the Australian Charities and Not-for-Profit Commission (ACNC) and values how the implementation of the *Australian Charities and Not-for-profits Commission Act 2012* (the Act) over the past five years has enhanced public trust and confidence in charities. To that end, the current Act is generally serving its purpose.
2. CSIA would welcome an increased focus on reduction of unnecessary regulatory obligations on the Australian not-for-profit sector, such as through further regulatory harmonisation and reduction of red tape. While CSIA welcomes the progress that has been made in this area to date, there is still more work to be done. Accordingly, the CSIA supports the ACNC's call for additional resources for the ACNC to meet this object of the legislation.
3. CSIA does not support the expansion of the Act's objects to include a role for the regulatory body in 'supporting effective use of resources by not-for-profit entities', as proposed in the ACNC submission. The question of effective use of resources is one of significant existing and ongoing work across the industry and government and a range of reforms at both state/territory and federal level.

In addition, this function does not sit appropriately with a regulator or within a regulatory context. The primary responsibility should sit with an organisation's governing body at an organisational level, in collaboration with funders and donors.

Increasing regulation in this way could have unintended consequences, such as further silencing the important voice of charities and not-for-profits in terms of advocacy, as well as being counter to the object of reducing regulatory obligations. Without any further explanation from the ACNC about the purpose of this object, it is difficult to assess whether the proposed regulatory burden is proportional to any level of risk or public benefit. Further, regulatory compliance is not the same as "effectiveness", and the ACNC is not best placed to drive a quality or excellence agenda across the NFP sector.

Finally, if the goal is to support charities and NFPs to become more 'effective', the existing objects of the Act provide sufficient scope to do this, particularly through sections 15-5(b) and (c).

Thank you for the opportunity to comment. We would welcome further discussion on any of the above, such as at the roundtables.

Sincerely,

Belinda Drew

CEO