

For many years I have supported a small charity in its assistance to sustainable development of communities overseas. It was completely run by volunteers and over time many donors visited and worked in the project communities, as teachers, farmers, nurses ect.. People from those communities also visited Australia, touring, speaking, assisting fundraising and building relationships. The strength of these inter-country relationships was extraordinary, enriching the understanding of development for both sides.

To send donated funds overseas is not a denial of benefit to the Australian community. These community-based development projects can be a rich relationship for those involved and a very different process than projects run by Governments, Regional Development Banks or UN bodies. There is a huge amount of goodwill that community based contributions make to sustainable development

I am concerned the NFP Reform assertion that charitable funds can support terrorism is overstating the risk.

1. Terrorism supporters doesn't need a tax deductibility accreditation to collect fund.
2. The chances of a charitable fund being deceived by an overseas group and having its funds inadvertently go to terrorism is an assertion that ignores the partnership involved. The majority of money sent overseas for aid and development goes via groups which have a long term partnership relationship. They are aware of each others operations and use monitoring and record keeping to track expenditures and outcomes.

If it's the improved use of charitable funds that's being sought by the NFP Reform, whether in Australia or overseas, I'd recommend alongside the legislative process, a useful contribution would be substantive effort to build the professional capacity of the six hundred groups registered as Environment Organisations.

The 600 Environment Organisations are mostly small groups, micro institutions, operating on volunteer energy and goodwill. They are a rich source of nation-building individuals and a worthy constituency for capacity building.

There is no peak body for the 600, no representation process or 'structure' to offer capacity building, no manual of operations from the EO on expectations of process, no voluntary 'code of conduct' for registered agencies. All these things are needed. The examples that ACFID and AusAID offer in their capacity-building to the diverse constituency of international development registered groups is worth learning from.

To restrict the opportunity for Australians to contribute to overseas communities is restricting a serious benefit but likely do nothing to reduce the risks of terrorism or money laundering. These reforms ought not be a heavy-handed application of risk management at the expense of the active real life benefit and life changing work that Australians are contributing to.

John McKenzie
Seaford, Victoria
May 2012