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Dear Sir,

**Submission: A Bill for an Act to define charity and charitable purpose, and for related purposes**

In the definition of charity, I would add that for an entity to be a charity it shall not seek or receive grants, gifts, advances or concessions from any government minister, agency, department or State-owned corporation. You might be surprised by these exclusions, but as someone with a permanent disability who has interacted with a number of not-for-profits/charities, you do notice a change when an organisation accepts government money. They become increasingly focused on “the next grant” and more resources are committed to administrative compliance.

And, in many ways, this is sad. We generally look to charities to be something different from government; that is, charities should more focused on individuals or local communities and their specific needs. In many respects, the danger in passing this legislation and the associated *Consequential Amendments Bill* (not to mention the volumes of regulations which will undoubtedly follow) is that charities will end up looking more and more like public agencies.

If these bodies are accepting the taxpayers’ money, then I entirely agree that they should be publicly accountable. But this then raises another question: do these bodies in truth remain charities, or are they public authorities? In my view, they become the latter and, this is not always of benefit to an organisation’s members or clients. As Vern Hughes has written in the *Sydney Morning Herald*:

Many organisations that began life as voluntary associations have become corporatized instruments of government service delivery and, no longer want, or even need volunteers...Most (have) found it easier to seek and obtain public contracts for their operations and tailor their mission to the delivery of those contracts, than to rely on private fund-raising or commercial income generation. In the process, their programs and operations (have come) to reflect the silo structure of government, and their internal cultures (now mirror) the government’s risk-averse culture.<sup>1</sup>

Additionally, some have argued that accepting public funding, cowers an organisation’s advocacy for its constituents. This was certainly the view of Arthur Mudry, founder of Canadian disability support group PLAN Canada. He has said:

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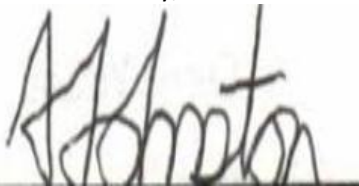
<sup>1</sup> See Vern Hughes, Non-profits lose sight of volunteer heritage, February, 4, 2011. Opinion, <http://www.smh.com.au/opinion/society-and-culture/nonprofits-lose-sight-of-volunteer-heritage20110203-1afbi.html> as at 28 December 2011

If government gives you money, they have a certain amount of control, and there may be a fear of advocating there. If we earned our own money, we could advocate and hold government accountable.<sup>2</sup>

I agree with this view and, believe it would benefit both charities and government to have a more “arms-length” relationship. In many respects, the legislation proposed achieves the exact opposite; now “charity” will be statutorily defined by government.

In short, while appreciating that part of the Government’s aim is to build public confidence in charities and their governance, it could also have unintended consequences. One of these may be to make many charities look like mere echoes of government. As such, will people continue to give to charitable causes and, will we the public trust charities as much as we might otherwise, if they are seen to be an extension of the Charities Commission bureaucracy? I suspect a number of people may sit on the sidelines and wait and see.

Yours faithfully,

A handwritten signature in black ink that reads "Adam Johnston". The signature is written in a cursive style with a horizontal line underneath the name.

Adam Johnston

12 April 2013

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<sup>2</sup> About PLAN: Mission and Values, <http://www.plan.ca/sections/mission.html> as a 1 August 2010