

3 October 2012

## Our Community Statement: Why the not-for-profit sector should stand behind the Australian Charities and Not-for-profits Commission

1. This is the 21st Century. We are living in the digital age. Anything you put on your website goes nationwide. If you're operating in all states, you don't want to have to be registered in all of them. You need a national regulator.
2. If there's no ACNC, decisions on tax status are going to continue to be made by the Australian Tax Office (ATO). It's not in the interests of the ATO for anybody to pay less tax.
3. We want the public to have confidence in the not-for-profit sector. That requires greater transparency and greater accountability. That means public reporting of finances and governance - which the ACNC offers.
4. The public needs to have information on not-for-profits available online, in one place. That can only happen if you have an Australia-wide portal.
5. Critics complain that other government departments haven't agreed to use common reporting formats for not-for-profits. They can't adopt the ACNC formats until the ACNC exists.
6. The only other way to cut red tape is for the state regulators to shut down. And state regulators can't shut down until there's a federal body to take over the job. That's how they achieved national industrial relations legislation. If the Coalition really wanted to reduce red tape, they'd back the notion of state governments surrendering their not-for-profit incorporation powers to the ACNC.
7. Critics complain that the penalties placed on misbehaving not-for-profit board members have gone up. Considering that over the past 25 years there have been no instances at all where a not-for-profit director has been prosecuted for malfeasance in office, supervision could hardly go down. This is a non-issue.
8. We haven't had many big financial scandals reported in Australian not-for-profits. That's not because they don't occur. It's because there's nobody whose job it is to book them.
9. The bodies that oppose the ACNC (or key aspects of it) - Coalition politicians, some very large charities, the Australian Institute of Company Directors - are out of touch with the overwhelming majority of the not-for-profit sector, as expressed in the submissions to the last eight inquiries into the affairs of the sector.
10. If the ACNC goes down, it's going to be the last chance at reform for a generation.

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