



20 February 2018

Principal Adviser
Individuals and Indirect Tax Division
The Treasury
Langton Crescent
PARKES ACT 2600

Dear Review Team

Jesuit Social Services welcomes the opportunity to contribute to the review of the Australian Charities and Not-for-profits Commission (ACNC) legislation.

Jesuit Social Services has been working for more than 40 years delivering practical support and advocating for improved policies to achieve strong, cohesive and vibrant communities where every individual can play their role and flourish. We work with some of the most marginalised individuals and communities, often experiencing multiple and complex challenges. Jesuit Social Services works where the need is greatest and where we have the capacity, experience and skills to make the most difference. Our services span Victoria, New South Wales and the Northern Territory where we support more than 57,000 individuals and families.

Research, advocacy and policy are coordinated across all program and major interest areas of Jesuit Social Services. Our advocacy is grounded in the knowledge, expertise and experiences of program staff and participants, as well as academic research and evidence. We seek to influence policies, practices, legislation and budget investment to positively influence participants' lives and improve approaches to address long term social challenges. We do this by working collaboratively with the community sector to build coalitions and alliances around key issues, and building strong relationships with key decision-makers and the community.

Establishment of the ACNC: Strengths and areas of improvement

We believe the establishment of the ACNC has been a positive step forward and a constructive development. In regards to the Review's terms of reference, we would like to make the following comments on the strengths and areas for further improvement concerning the implementation and effectiveness of the ACNC to date.

Based on our experiences, the ACNC has played a positive role in:

- Introducing a more flexible approach to corporate reporting (i.e. now reflects a relationship between the ACNC and the organisation rather than formal compliance)
- Establishing a formal process for registration of charities
- Driving stronger compliance for NFPs (charities reporting annually is a positive development, as is stronger oversight of managing DGR status).

Building on the positive foundation that has been established over the past five years, Jesuit Social Services calls on the Federal Government to commit to the long term sustainability of the ACNC to provide certainty in the NFP sector. This must include ensuring that the ACNC as regulator has sufficient and ongoing resources to administer its legislation.

However, we note one critical area for improvement:

- Regarding the ACNC's objective of *working with state and territory governments to develop a 'report-once, use-often' reporting framework for charities*, this is yet to be fully achieved. In our experience we are still required to provide reports to multiple government agencies/departments. Further progress is required between the ACNC and other Commonwealth, state and territory agencies to reduce red tape and create one reporting outlet.

The critical nature of advocacy

As well as the more operational issues covered above, we would like to comment on the capacity of the sector to engage in advocacy.

As a social change organisation working to build a just society where all people can live to their full potential, Jesuit Social Services seeks *to do* and *to influence* by working alongside marginalised members of the community and advocating for systemic change. At this time of accelerated change and sector reform we believe there is a critical need to challenge policies, practices, ideas and values that perpetuate inequality, prejudice and exclusion. Listening to the voices and perspectives of the most vulnerable and marginalised is critical to maintaining a healthy, fair and just society.

Over four decades of advocacy and action have shown us that many of the challenges we face are interconnected and complex. We believe there is an urgent need for individual and collective action to advocate for social, economic and environmental justice – to provide a catalyst for communities and organisations to get engaged, active and project a strong, informed voice.

Strong democracies, like Australia, rely on a dynamic interplay between community service organisations, broader civil society and government to continually develop and improve our collective responses to complex social problems. This interplay is deeper and more fundamental than other transactional relationships that governments and community organisations engage in, such as purchaser-provider or regulatory oversight. Whilst regulation and governance are fundamental components of a trusted and thriving social services sector, community organisations are mission (not profit) driven, and therefore it is critical that any implementation of NFP regulation does not erode the wider role of NFP organisations in building individual capabilities, cohesive communities, and a strong civil society. It must be about more than simply generating efficiency and mitigating risk.

Moreover, as highlighted in the *Civil Voices: Researching not-for-profit advocacy in Australia*¹ report, organisations are treading very carefully in their advocacy work to avoid the risk of financial uncertainty and political retribution. We are deeply concerned about recent trends that are eroding and threatening the capacity of the NFP sector to advocate on key issues. Recent changes proposed by the Government to ban international donations to charities that engage publicly in election issues are one example of a reform which will further limit the voice of the sector. As *Civil Voices* put it²:

¹*Civil Voices: Researching not-for-profit advocacy in Australia* (2017) prepared by Associate Professor Sarah Maddison and Dr Andrea Carson, <https://civilvoices.com.au/>

² Ibid, page 6.

These trends are concerning. Policy debate involving a wide range of voices across all sectors of Australian civil society remains essential to a healthy democracy and to the production of just and equitable public policy.

Jesuit Social Services acknowledges the distinction between advocacy on social issues and public policy solutions on the one hand and partisan support for one political party or another. Just as governments and oppositions should not expect to be under attack from the sector on party political grounds, nor should social service agencies be in fear of being subject to political retribution if they speak out on social issues, trends and policy solutions.

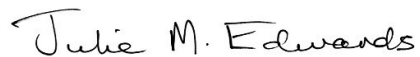
In this context we call on the Government to:

- Recognise the important role played by government and community services together in addressing complex and dynamic social problems that rely on robust civic dialogue for continual improvement. Governments can help achieve this by facilitating improved sector coordination and community participation in policy planning processes.
- Recognise that community organisations should not be seen simply as government service delivery arms to be regulated, but as co-producers of solutions and key participants in civic dialogue. In this regard the Government could increase opportunities for co-design with community service organisations at the strategic policy level in areas such as policy development, design and evaluation (in addition to their traditional service delivery role).
- Further examine the concerns of the sector outlined above and engage in a meaningful dialogue with the sector on these matters.

We encourage the Review and the Government to adopt clearer recognition of the right of the social services sector to speak out on social issues and public policy solutions within the regulatory framework in which the ACNC operates.

We would be pleased to discuss our recommendations with you in more detail.

Yours sincerely

A handwritten signature in black ink that reads "Julie M. Edwards". The signature is written in a cursive, flowing style.

Julie Edwards – CEO, Jesuit Social Services