

I also note the contribution from the member for Moreton and his comments around China. Having been to Guangzhou and Shanghai, I can say in all honesty that they have the worst pollution I have ever seen. I have travelled all over the place but I have never seen anything as bad as the pollution in those towns. So Australia's contribution is good. This is a great country to live in. Certainly the air is clean, and we are doing the right thing in terms of the environment. I congratulate Minister Hunt on his activities. However, this is all about the energy efficiency scheme, and it is a scheme that I support, of course, and I support the amendments. I said my contribution would be brief. Thank you.

Mr BALDWIN (Paterson—Parliamentary Secretary to the Minister for Industry) (16:59): I would like to start by thanking the many members for their contribution to this debate. Some of them even managed to talk about the content of the bill! It was a wide-ranging debate, but I would like to thank them for their attention and contribution.

The Building Energy Efficiency Disclosure Amendment Bill 2014 will streamline and improve the efficiency of the Commercial Building Disclosure Program, which is underpinned by the Building Energy Efficiency Disclosure Act 2010. I would point out that the legislation underpinning that was passed with bipartisan support back in 2010. In fact, the background work on the Commercial Building Disclosure Program was initiated back in 2004 under the Howard government's national framework for energy efficiency.

The Commercial Building Disclosure Program is helping to improve Australia's building stock by encouraging all parties in a purchase or lease transaction to consider energy efficiency. Disclosing energy efficiency information provides everyone with access to consistent and meaningful information about the building's energy performance and makes it easier for companies to buy or rent more energy-efficient office space. Electricity is money, and businesses need to make sure that they spend their money wisely, effectively and efficiently. Reductions in consumption of electricity help the bottom line.

The amendments proposed in this bill are sensible measures designed to streamline the operation of the Commercial Building Disclosure Program and respond to industry suggestions for improvement—because, after all, they are the people with the skin in the game. The bill I introduced in the House of Representatives on 22 October reflects the government's commitment to not only reduce the regulatory burden on businesses but also support business flexibility and productivity. Key amendments, coupled with complementary changes to the regulations, will remove the need for energy efficiency assessments for transactions that are not market visible, such as between wholly owned subsidiaries or in the case of unsolicited offers from a single party. A further amendment will introduce the ability to determine a commencement date for a Building Energy Efficiency Certificate—a BEEC—that is later than the date of issue. This will help large property businesses who are wishing to proactively maintain current BEECs for their property portfolios where synchronising annual certification across a portfolio has become an efficient business practice. These amendments will improve the operation and effectiveness of the Commercial Building Disclosure Program and result in regulatory savings of around \$600,000 annually.

In addition to this, the government has commissioned an independent review of the Commercial Building Disclosure Program, and I advise the House that a final report will be provided to the Minister for Industry in the first quarter of next year. In the interim, this bill will ensure that there is a streamlined process to provide consistent and meaningful information about building energy performance to the market to allow companies to make more informed decisions when buying or renting buildings. On that basis, I commend this bill to the House.

The DEPUTY SPEAKER (Mr Craig Kelly): The question is that this bill be now read a second time.

Question agreed to.

Bill read a second time.

Third Reading

Mr BALDWIN (Paterson—Parliamentary Secretary to the Minister for Industry) (17:03): by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

Australian Charities and Not-for-profits Commission (Repeal) (No. 1) Bill 2014

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Dr LEIGH (Fraser) (17:04): I move:

That all words after “That” be omitted with a view to substituting the following words:

“whilst not declining to give the bill a second reading, the House is of the opinion that the Government’s plan to abolish the Australian Charities and Not-for-profits Commission is an insult to the good work of the charitable sector, and to all Australians that want accountability and transparency when it comes to their generous donations.”

Let me start with a story of great concern. It is about some scammers who set up charities with names such as Friends of the Disabled Children's Task Force, Friends of the Underprivileged Children's Task Force, and Chronic Constructive Pulmonary Disease of Australia Incorporated. Australians, inspired by a deep sense of generosity, donated more than \$1 million to them. It turned out that there was not much evidence of the money going to the disadvantaged or needy, and those charities have now been shut down.

All scammers are dodgy, but I have always regarded charity scammers as a particular form of low life. Other scammers exploit greed or lust or ignorance, but charity scammers prey on our goodwill; they take that great Aussie tradition of wanting to help the vulnerable, and they use it to line their own pockets. Cracking down on scams was one of the main reasons Labor set up the Australian Charities and Not-for-profits Commission in 2012. Before we established the commission, Australians had no central register to find out whether a charity was dodgy or legit. Now if someone comes to your door asking for money, you can jump onto www.acsnc.gov.au and check them in an instant. And the charities commission is proactive when it comes to dealing with scammers. Earlier this year it deregistered two Western Australian groups after a five-month investigation showed that their 'benevolent' work was a sham.

The work of the Australian Charities and Not-for-profits Commission in cracking down on scammers has been first-rate. They received over 200 complaints in their first year, including 48 for fraud or criminal activity. Cracking down on scammers is absolutely vital, because, if we do not, we not only hurt those who donate but also sap the goodwill of others who might donate to a good charity but are too concerned that it might be dodgy.

Charities are fundamental to the Australian way of life. Charities in the not-for-profit sector employ more than one million Australians, generate almost five per cent of GDP and turn over about \$1 billion a year. As David Crosbie has put it:

The ACNC is important to how charities do business, yet the government chooses to ignore the majority of charities in deciding what it will do.

Since its inception, the charities commission has seen more than one million hits on www.acnc.gov.au. According to their six-month report, average registration time for charities was 11.4 days. In the first six months they had answered 14,500 phone calls, responded to 6,900 written inquiries and registered 500 new charities. The benchmark for the charities commission and the tax office to decide on tax concession status was 85 per cent within 28 days, but the charities commission has significantly exceeded that, reaching a level of 95.6 per cent of charities whose tax status had been determined within 28 days. As David Crosbie notes:

The ACNC is more efficient than the government regulators it replaced, is doing good work and deserves a chance to achieve its three goals of reducing red tape, increasing public trust and strengthening the charities sector.

In the case of Indigenous charities, the charities commission is playing a particularly important role. The ACNC employs two Aboriginal liaison officers to provide assistance to customers of Aboriginal and Torres Strait Islander descent who might prefer to liaise with staff from an Aboriginal background. Axing the ACNC would hurt Indigenous charities.

The charities commission has launched the Charity Passport, a secure online system to save charities from reporting the same information to multiple government agencies. As ACNC commissioner Susan Pascoe, about whom no-one seems to have a bad word—even those who want to scrap the charities commission—has noted:

A single charity that conducts fundraising across the country, and receives government grants, may need to report to more than 10 different government agencies.

The Charity Passport is the key to the ACNC’s ‘report once, use often’ framework, cutting down the amount of time charities spend on duplicative reporting to government.

Through the passport, we can securely share information the ACNC collects from registered charities with authorised government agencies.

The Charity Passport has been tested by two government agencies, and the charities commission is encouraging more government departments to sign up. The Charity Passport is being deployed in two phases: the first using a file transfer protocol repository; and the second phase, scheduled for implementation around now, involving integration with agencies' IT systems.

The history of the charities commission is a long one. There were external inquiries encouraging the federal government to set up something akin to the charities commission in 1995, 2001 and 2010. There have been parliamentary committee reviews, issues and discussion papers, exposure drafts and consultations with experts.

Indeed, the Australian Taxation Office, in a submission to a parliamentary inquiry as far back as 2001, said as follows:

It is also our view that administration would be better served by a single independent common point of decision making on definitions leading to conclusions about whether organisations are charitable or non-profit, such as occurs with the Charity Commission in the UK, for example.

A bipartisan parliamentary report in 2006 by the House of Representatives Committee on Legal and Constitutional Affairs recommended:

The Committee recommends that the Australian Government, in consultation with the not-for-profit sector and the States and Territories:

- □ Investigate the establishment of a single national regulator for the not-for-profit sector;

That is a House of Representatives committee report commissioned by the member for Berowra. It was a bipartisan committee report, and one of those who signed off on it was the shadow Prime Minister—sorry, the Prime Minister's shadow—the member for Wentworth. The member for Wentworth then thought that the charities commission was a very good idea, as every sensible contribution in this sector does.

The Productivity Commission inquiry, chaired by Robert Fitzgerald, who I will refer to later, said:

Corporate Australia long ago rejected such a regime and begs the question as to why the not -for -profit sector should be burdened by such a cumbersome regime?

In the process of bringing the ACNC into being, Labor's shadow Treasurers, including the now Leader of the Opposition and the then member for Lindsay, David Bradbury, engaged extensively with stakeholders and addressed those stakeholders' concerns systematically.

Where religious institutions were concerned about the impact on small parishes who had few personnel and little income, it was addressed by providing a financial and governance exemption for basic religious charities. Where schools wanted to ensure that they would not have to report twice to the charities commission, this was addressed through an agreement that avoided duplicate reporting. Charities incorporated as companies limited by guarantee wanted to ensure that they did not have to annually report to both ASIC and the ACNC, so the arrangement to report once was put in place. Certain philanthropic funds did not want their details published to avoid unsolicited requests, so the commissioner exercised her discretion to ensure that nondisclosure of key information can occur. Information provided by Indigenous organisations to the Office of the Registrar of Aboriginal Corporations is sufficient for ACNC services.

So the process of setting up the charities commission was a highly consultative one—one which involved a great degree of engagement with the charitable sector. This stands in stark contrast to the lack of consultation from this government. It has to be said that the government is not moving quickly on this bill. By my count, it has been over 253 days since the minister gave his speech attempting to scrap the charities commission. In that 250 days, the minister has engaged in frighteningly little consultation with the sector.

The Department of Social Services was asked in the Senate estimates committee who it had consulted with over the charities commission repeal. It named a number of bodies. One of these was the Governance Institute of Australia. They were a bit surprised that the minister had been suggesting that he had consulted with them. They said, in their letter dated 30 May 2014:

This is misleading. Governance Institute has not at any time been consulted by the Department of Social Services. A representative of Governance Institute attended a forum organised by Melbourne Law School had which staff members representing the Department of Social Services were also present.

That is their idea of consultation: 'We were in the same room as you, so we consulted you.' That is not consultation. Justice Connect wrote in similar terms:

We were surprised and concerned to see the name of our organisation, Justice Connect, on a list of 'organisations DSS had consulted about the ACNC'.

We understand that we were listed by the DSS because a representative from our organisation attended a Melbourne Law School event on the future of charity regulation, which was also attended by DSS representatives and Minister Andrews' adviser.

Let us be clear, the minister was not in the room. His adviser was in the room. And they call that consultation! Justice Connect said:

We therefore request that the record be corrected to indicate that we have not been consulted, despite specifically requesting this opportunity.

So the minister is rejecting attempts by worthy organisations to consult and is then going away and telling the Senate that he has consulted with them. Part of the failure to consult occurs because the charities commission issue has not been placed in the hands of the Assistant Treasurer—of course, the government does not have an

Assistant Treasurer—it has been placed in the hands of Minister Andrews. As John Butcher from the University of Canberra puts it: 'Thus far the field appears to have been abandoned to ideological considerations and, seemingly, the privileged voices of a small number of organisations that have the ear of Minister Andrews.'

I turn now to the support that the charities commission enjoys within the sector. The 2014 Pro Bono Australia State of the Not for Profit Sector Survey found that four out of five not-for-profits stated that the charities commission was important to a thriving charities sector. Only six per cent agreed with Minister Andrews that the charities commission should be scrapped and responsibility for regulating charities returned to the tax office. Even the National Party gets more support than that. Indeed, the Pro Bono survey was conducted in both 2013, before the election, and 2014, after the election. So, after trolling the country—

Mr Chester: Trolling!

Dr LEIGH: Talking about trolling, perhaps the minister at the table suggests I might have misspoken there. After trolling the country, what has happened to popular support for the charities commission? Let me quote from page 25 of the Pro Bono 2014 report:

The support for the ACNC is substantially higher than what was reported in the 2013 Election Manifesto Survey.

Every time they go out to charities and tell them what they think about the charities commission, support for the charities commission goes up and support for this government goes down. The charities commission is popular and is becoming more popular. This government is unpopular and is becoming less popular by the day.

I spoke before about the extraordinary ACNC Commissioner, Susan Pascoe, who has walked a very difficult road in this process. She spoke about the process that involved setting up the charities commission. As she put it:

In setting up the ACNC, we had the privilege of being able to draw on lessons learned by international charity regulators.

.....

We are now in a position where we have actually been able to leapfrog ahead of other regulators ...

Robert Fitzgerald was the providing commissioner on the Productivity Commission's 2010 inquiry. You might hear from members opposite that the Productivity Commission did not recommend the charities commission. That is certainly not the view of the head of that inquiry who says:

Retaining the ACNC is in the public interest. It is in the best interests of the sector, community and government. Its removal benefits those opposed to public accountability and transparency, without delivering real gains in reducing inefficient regulatory burden.

Mr Fitzgerald goes on to say:

... the key beneficiaries of the repeal of the ACNC are really only those organisations who do not want independent public accountability or transparency but which seek to continue to receive large benefits from the Australian community. All of the failings in the past regulatory regime identified so often and in so many inquiries would remain and be entrenched. The opportunities offered by the establishment of a one-stop regulator would be forgone. Independence from the Australian Taxation Office will be abandoned, allowing identified conflicts to persist. The sound, well-functioning and efficient agency, highly respected by much of the sector with considerable expertise and experience will be abolished.

David Crosbie, the CEO of the Community Council for Australia, has said:

The ACNC is important to how charities do business, yet the government chooses to ignore the majority of charities in deciding what it will do.

World vision CEO, Tim Costello, says:

The commission is actually working for us, and it gives the public confidence.

He is speaking there about the confidence in the spending of the donations. Ann O'Connell and Matthew Harding, two academics who have carefully engaged with this issue, have said that repeal of the charities commission:

... means a loss of understanding of context. The very talented staff employed by the ACNC, and their range of skills to deal with charities and charity law will be lost.

They pointed out that it will be detrimental to the collection of data relating to the not-for-profit sector. Max Bourke who has spent some 30 years in senior executive services and as a chief executive of several statutory authorities, including the Australian Heritage Commission, and has had a significant role in encouraging philanthropy, having chaired boards of the Myer Foundation, the Nature Conservancy, the Thomas Foundation, and the Australian Environmental Grantmakers Network, has said:

This proposal to repeal the ACNC Act and abolish the regulator is a most retrograde step and is to be deplored. There is no doubt it will increase the potential for fraud and I imagine fraudsters relishing the prospect.

Young Australia League Incorporated chairman, Frank Schaper, writes to me: 'Like many, I have never understood the rationale that supports the proposal to abolish such an important instrumentality that has brought a level of much needed transparency to the charitable sector.' The Australian Institute of Company Directors say:

In our view, the proposed self-reporting standards neither reduce the regulatory burden for charities nor enhance public accountability in the sector.

Of the government's intention to abolish the ACNC, they say:

... we do not see how its abolition, nor any of the options outlined in this paper, will assist in achieving the outcomes above.

The government's proposal does nothing to reduce the duplication of reporting that organisations face.

The Prime Minister promised he would bring Australian together, and on the issue of the abolition of the charities commission, he seems to have succeeded in that goal! More than 50 organisations have been brought together by the Prime Minister to oppose scrapping of the charities commission they had taken the brave step of writing open letter to the Prime Minister. You know how brave that is, because we know from the experience of the Howard government that these are people who go after charities that speak out to them. Just look at what is happening in the aged sector right now. But organisations as diverse as Volunteering Australia, YWCA Australia, Youth Off The Streets, the Australian Conservation Foundation, RSPCA Australia, Sane Australia, Lifeline, Odyssey House, McGrath Foundation, Port Phillip Housing Association, Pro Bono Australia, Community Colleges Australia, Musica Viva Australia, Ted Noffs Foundation, Social Ventures Australia, Drug ARM Australasia, Save the Children, 'missions intellect', Churches of Christ Victoria and Tasmania, St John Ambulance, Hillsong Church, the Myer family, Wesley Mission, YMCA Australia, Access Australia, the Queensland Theatre Company, SARA, Hammond Care, Consumer Health Forum of Australia and Moroba Lodge have said to the Prime Minister, very clearly:

We want to make very clear to the Commonwealth government and wider community that like most charities across Australia we value the Australian Charities and Not-for-profits Commission and we want to see it continue its impressive work.

Submissions to the Senate's inquiry into the charities commission were overwhelmingly in favour of keeping the commission. An analysis of those submissions by Andreas Ortmann of Queensland University Of Technology estimates that support for the repeal bill clocks in at fewer than 10 per cent of the submissions. Professor Ortmann also notes it is not quite clear how many of the supportive contributions are commissioned pieces. Some clearly are. He says:

The repeated use of phrases such as 'it would be a retrograde step to abolish the ACNC' suggest some gentle arm-twisting towards contribution.

There are a range of submissions that speak very clearly to the damage done if this government were able to abolish the charities commission. The Shepherd Centre says that repeal:

... would increase the current workload on charities and forego the opportunities for future savings in workload.

Australian Women's Health Network says:

The ACNC, in a short space of time, has achieved much and engendered trust and goodwill in implementing its objects and functions in terms of the ACNC Act.

Associated Christian Schools calls retention of the ACNC:

A positive step forward in initiating the simplification of compliance and red tape.

The Uniting Church in Australia National Assembly said abolition 'will impose considerable distress and probable further costs'. National Disability Services supports the retention of the ACNC model. CPA Australia is deeply concerned that the government has not said what might come after abolition of the charities commission. Neumann and Turnour lawyers say:

The sector needs stability.

St Vincent de Paul Society says:

Rather than abolishing the ACNC, the Society believes that the government would be well-advised to listen to the voices of the charitable and NFP sector.

World Vision Australia says:

In FY 13 it spent in excess of 13,000 hours in fulfilling reporting obligations to other government departments and agencies (at both the Commonwealth and state level), most notably, grant acquittal and reporting obligations to DFAT (formerly AusAID).

And they are concerned that burden will increase, not decrease, if the government gets its way. Anglicare Australia has called the abolition of the charities commission 'backward steps on independent regulation of our sector.' Professor David Gilchrist, Director of the Not-for-profit Initiative at Curtin University says:

A silent majority in Western Australia think the ACNC is the best way forward.

This government has a lot to say about red tape. They are in favour of one-stop shops for universities. They are in favour of one-stop shops for environmental regulation. But when it comes to a one stop shop for charities, they are

against it. As Michael Pascoe has put it, Andrews public stance was only that another regulator was being created by Labor, therefore it must mean more red tape and more public servants, and therefore should be taken out and shot.

A report from Ernst and Young has noted:

A core component of the Australian charities and not-for-profit commissions reporting framework and efforts around reducing red tape is the 'report once use often' principle.

This principle is consistent with recommendations issued by the Productivity Commission, the National Commission of Audit, the Australian National Audit Office, the Treasury and the Department of Finance. The Ernst and Young report concludes:

Fulfilling Commonwealth funding agreements imposed a far greater burden on charities than legislative requirements.

It goes on to note that the charities passport:

... can be of particular value in reducing duplication associated with government grants.

An anonymous submission that came to me from somebody who runs a small not-for-profit incorporated association in Australia says:

All of the previous 20 millimetres of hard copy paperwork (much of a double sided!) we had started with from September 2013, and which, in frustration, had been pushed to one side as something we would 'get around to' is now with ACNC reduced to one only online application. Unbelievable slashing of red-tape and this is the organisation the Government wants to dump and go backwards to pieces of paper!

They do not want to refer to the old system as creating mountains of paperwork.

I pay tribute to Andrew Barr, Deputy Chief Minister in the ACT, and Gail Gago, charities minister in South Australia, who are working with the charities commission to allow them to be a one-stop shop, to reduce reporting duplication across jurisdictions. But those opposite are all over the shop when it comes to one-stop shops. Those opposite say that they are in favour of a simple portal that will allow information exchange. Yet, what they are missing is that such a portal would be supported by the charities commission.

In the United States, cash-strapped US state attorneys-general collectively decided to ask philanthropic backers and academic institutions to build them a single electronic portal, to allow once-only entry of fund-raising returns, for multiple state regulators, to reduce red tape for charities and improve their ability to detect fund-raising fraud. Myles McGregor-Lowndes from QUT points out it is ironic that this government wants to scrap the charities commission while, in the US, innovative states are looking to philanthropy to support it.

While it speaks a lot about red tape, the regulatory impact statement for this bill is deeply flawed. The Queensland Law Society in their submission to the Senate inquiry has noted that the government's process of introducing a bill that does not say what is to follow it is, in their view:

... somewhat problematic, given the current government's intention to reduce obsolete legislation on the statute books by adopting a two-stage legislative process.

They said you do not know what is going to follow the charities commission:

Such a convoluted legislative process inevitably creates uncertainty amongst charities as to their future obligations to and reporting requirements for the Commonwealth government.

The Queensland Law Society said:

Informed debate on the No. 1 Bill—

And that is the only bill we have seen—

is effectively impossible as many of the issues necessarily raised cannot be considered in isolation, and cannot be adequately addressed without analysing the No. 2 Bill. This appears to add "red tape" to a sector already suffering from reform fatigue.

The Queensland Law Society describes the explanatory memorandum and the regulatory impact statement as being:

... less than rigorous, and not meeting the usually high standards and disciplines of Commonwealth legislative processes.

They referred to the regulatory impact statement, saying it:

... erroneously refers to the abolition of the New Zealand regulator; the charities regulator still exists in New Zealand, but in a different form, as Charities Services.

These flaws in the regulatory impact statement and the explanatory memorandum are of deep concern to this side of the House. What comes after it? We do not know. In the bill it just says, in section 3:

The *successor Agency* is the Agency specified in a determination under subitem (2).

This may be made by the minister at a time of his choosing.

The minister has been unwilling to speak to the sector about what will follow. He has spoken about having all kinds of portals. In a pre-election debate, he said: 'And what the Shadow Treasurer Joe Hockey has said is we are looking carefully at the tax office with one of the proposals on the table to actually split the functions of the tax office to that policing function, that regulatory function of the tax office would be separate from the other functions of the tax office.' That sounds to me a lot like putting a charities commission inside the tax office. If that is what the minister wants to do he can come clear to the House. Charities rating agencies can play a part. Centres of excellence can play a part—but only if they build on the charities commission, rather than smashing the charities commission.

This is a bill that is being brought forward by a government that is trying to get rid of the definition of charities. This government was fighting early in its life to send charities back to 400-year-old common law in deciding what would be the definition of a charity. They literally wanted to put charities back to the pre-Enlightenment era, the pre-Protestant era, the pre-electric light era and the pre-steam train era. They want to take charities back to a time of leaches and witch burning.

You only have to listen to, for example, John Howard. He said:

... the common law definition of a charity, which is based on a legal concept dating back to 1601, has resulted in a number of legal definitions and often gives rise to legal disputes.

The government failed in its attempt to take charities law back to the 1600s. I sincerely believe that they will fail in their attempt to scrap the charities commission. As Michael Pascoe has noted, 'The fate of the ACNC could be a small but telling indicator of whether the coalition can successfully make the change to being a responsible and reasonable government.'

They should keep the charities commission. That is what the Senate believes. It is what the sectors believe. They should stand on the side of charities and not on the side of fraudsters and scammers.

The DEPUTY SPEAKER (Mr Mitchell): Is the amendment seconded?

Mr NEUMANN (Blair) (17:34): I second the amendment and reserve my right to speak.

The DEPUTY SPEAKER: The original question was that this bill be now read a second time. To this, the honourable member for Fraser has moved an amendment that all words after that be omitted with a view for substituting other words. If it suits the House, I will state the question in the form that the amendment be agreed to. The question now is of the amendment be agreed to.

Mr HAWKE (Mitchell) (17:34): The shadow Assistant Treasurer gives a pretty speech, but it is not cognisant of the entire facts—and he never misses a chance to bash the Enlightenment as he goes through.

Given his natural instinct for deregulation—he is an advocate of deregulation in the university sector; he is an advocate of the GP co-payment—I heard his pitch for the Assistant Treasurer's position. He would be welcome as a Liberal Assistant Treasurer in this government with the deregulation views he holds in so many key areas. We will forward his CV to the Prime Minister's office for consideration. You do have a look in! You will not be ignored with those strong views you have on university deregulation and GP co-payments.

With that strong deregulatory instinct you have for universities and that strong deregulatory instinct you have for the health sector, why is it that you support so strongly the regulation of the charities sector? The most salient point the member made is that the ACNC has not taken away the functions of the ATO to determine deductible gift-for-recipient status. If you felt so strongly that this was an absolutely necessary regulatory body—the prime body for regulating charities and determining whether they are the recipients of taxpayer funding, in the form of deductible gift recipients—it is still the ATO. That is unchanged from the Labor Party set-up.

The previous Rudd-Gillard-Rudd government had a penchant for red-tape regulation, creating hundreds of new bodies, commissions, positions, audits and reviews. It was their modus operandi. The charity sector and the civil-society sector were no different. This reason for being was the fetish they had for creating new bodies. The ACNC was brought into being to regulate the charity sector.

One of the ironies is that in the first proposal of the ACNC it was said that this was going to be a measure to reduce red tape. At the moment, some of the evidence we are receiving is that it is not reducing red tape. We have seen the most recent lodgement rates. About 85 to 90 per cent of charities have lodged their information so far, but about 10 to 15 per cent have not. If you listen to the shadow Assistant Treasurer, you would think there were 50 registered charities and not-for-profits in Australia today. You might think there were 100 people complaining about it. I would educate the assistant shadow Treasurer here. There are 600,000 not-for-profits in Australia today. He read out a list of 20 or 30. It sounds very impressive when you listen to this debate. There are some big players that do that, but there are 600 not-for-profits in Australia that are now under this regime.

The Labor Party is never cognisant of the difference between large and small. When they make regulation for the business sector, they think business can tolerate it, regardless of whether they are a large business or a small business. It is the coalition—the Liberal and National parties—that understands that small business is the prime mover of the economy. If you make one regulatory change in a macro way, of course big business can handle it, but the small businesses cannot. It is similar in the charity sector. It is not just about the big players and it is not just about the large charities that are well staffed and well-resourced. We want to ensure that civil society is able to function very well, and that means enabling small players as well as large players—people who have the resources to comply with extra red tape and those who do not. The red tape, of course, has to achieve a meaningful purpose. There are 600,000 players out there; 50 in a letter is not representative of 600,000 not-for-profits.

I would also add that Pro Bono conceded that they had a non-scientific basis for the survey which the shadow Assistant Treasurer made so much of. The shadow Assistant Treasurer quoted the survey prolifically. On page 7 of their survey report—and they acknowledge the non-scientific basis of their survey—they say:

The survey doesn't attempt to be statistically representative of the different stakeholders of that Not For Profit sector ...

I praise Pro Bono for that because they are being accurate. They are saying that they are not trying to represent or, in any way, be statistically representative of the sector. They did a survey and, out of 600,000, they had 1,200 respondents. Obviously that is not representative. There was no statistical or scientific method. It could have been representative if conducted in a statistical manner, but it was not. They acknowledge that. The shadow Assistant Treasurer should not act as though that survey by Pro Bono is statistically relevant when the organisation itself acknowledges that it is not. It is quite disingenuous for him to do so.

In the bill we have the repeal. I support this agenda, as I have so many times this place, because repealing red tape and regulation is a prime focus of the Abbott coalition government. We have already seen 54,000 pages of legislation removed and \$2 billion of compliance removed. Even this morning, I spoke on a bill which removed yet another \$500,000 of compliance costs—it was supported by the opposition and I thank them for that—in the building and construction area. It is a prime focus of ours. We can also do this in the charity and not-for-profit sector.

I understand there is a view from some of the big players that it is now easier to go to one body—the shadow Assistant Treasurer referred to one-stop shops—and say, 'Is this compliant or not compliant?' and they say yes. However, that does not apply for the entire sector. There are plenty of people who have a different view, major organisations like—and the shadow Assistant Treasurer should not ignore these bodies, especially considering the current debate—Universities Australia, the Association of Australian Medical Research Institutes, Catholic Health and the Independent Schools Council of Australia. They all made submissions arguing in favour of the abolition of the ACNC.

I have spoken to not-for-profits in my electorate—often small-scale charities. Small does not mean bad. Small does not mean ineffective. Small does not mean not relevant. There are plenty of niche charities. The point of having charities and not-for-profits is that they act in a fashion that is different to the government. We need our charities so badly in our civil society sector, much more than we need government bureaucrats, because they get more value for the dollar. That is the experience. That is why we have a deductible gift recipient status regime and that is why the government incentivises civil society and charity activity, because it produces greater benefit than armies of bureaucrats—cheaper cost, lower overheads and greater return for the government's work.

I have been a big advocate and fan of many of the Republicans programs in the United States that deliver more government services through acceptable standard charities, because they are so much better at it than having armies of bureaucrats here in Canberra trying to do things on the ground, when you have local community based charities who know their work, know the niche of their work and, indeed, can deliver on it. You could speak to people like Peter Shergold who gave some evidence recently on social bonds that governments are now using to enable more capital to be put into the social services delivery sector. That is new thinking and relevant thinking on better, low-cost ways to deliver government services.

Repealing the ACNC is about reducing red tape, reducing regulation and reducing burden on charities and not-for-profits. It may be that some people find the new arrangements acceptable to them, but, overall, I do not believe this will enhance the situation for the vast majority of not-for-profits and, indeed, for the enabling of civil society—a competitive environment where you can get new entrants into civil society. We do not necessarily want to pick the winners and losers.

Given the ATO is still regulating the DGR status, there are other arguments about how these functions could be handled. I accept the view that we could create a centre of excellence which could address flaws in the old model of charity regulation. I quote in particular an article by Helen Rittelmeyer, published in WAtoday.com.au on 20

March 2014, where she argues for centres of excellence that would, rather than simply abolishing the functions of the ACNC or taking away the ATO's responsibilities and giving them to such a new agency—and there is a point to be made about that in a moment—address the concerns of much of the sector without the need for a new heavy-handed regulatory body with the punitive arrangements that it has.

We know that every charity that is going to be more than six months late with its compliance this year will have a statement of noncompliance published on the register. Registration will be revoked if you have not lodged a return for two consecutive years. That all sounds fine in many ways but, of course, we are talking about some very small-scale not-for-profits. I do think there is a heavy hand to government, and I much prefer the incentive based model of government than the punitive model of government.

The Rudd-Gillard-Rudd government was in love with punishment. Its regulation was always punitive. It was heavy-handed and its aim was to crush the sector that it was regulating. Its aim was 'find them, punish them, do not work with them, treat them as the enemy'. You could talk to any sector in the country that survived the Rudd-Gillard-Rudd era and all of them would report to you that they felt the government had worked against them in the legislative process. They would get a piece of legislation that they were not consulted on. They struggled to get time to see a minister to get some amendments into the legislation. The regulation would be rushed through. It would be heavy-handed. It would be out of sync with what the industry wanted, or what that sector wanted, and they would have to address a very difficult legislative environment. There is no point talking about the failures of the Rudd-Gillard-Rudd era. Thankfully, the voters of Australia have consigned that to the dustbin of history.

Going forward, this was an election commitment. The coalition will keep their election commitments. We opposed it at the time. We are committed, of course, to delivering on this commitment. I support it because, in speaking with those smaller charities and not-for-profits, there is great concern on how to handle this environment. I think the point is intelligent in that a brand-new body like the ACNC does not have a track record in this space. It is now going to have a series of responsibilities that are not even the core functions of regulating the charity and not-for-profit sectors. They do not do the DGR status, which is still in the hands of the ATO.

Now we have more regulation, not less. We have more bodies that charities have to deal with, not less. The idea of it being a one-stop shop, as the shadow Assistant Treasurer said, is not one-stop when you have to visit the ATO to get your DGR status and then you have to register with the ACNC. That is actually two stops. The shadow Assistant Treasurer should understand that one-stop shops have not been created in the charity and not-for-profit sector by the Rudd-Gillard-Rudd government's legislation.

If you look at the submissions that Universities Australia and the Association of Australian Medical Research Institutes—serious bodies—as well as the Independent Schools Council of Australia provided, you would note that they have some strong views about this regulation abolishing the ACNC, and the benefits that it will provide. There are onerous and duplicative regulatory requirements for charities, and many of them are quite complex. As I said, if you are a big charity, I guess you already have the administrative staff in the front office to deal with this. If you are a smaller charity, the complexity and duplicative requirements are not the language of a one-stop shop. The shadow Assistant Treasurer should understand what a one-stop shop is. It is removing duplicative regulatory requirements, not enabling them. One-stop shops are to reduce complexity, not to increase complexity. The ACNC has increased complexity. It has increased the duplicative regulatory requirements, and that means that it is not a one-stop shop process.

While the shadow Assistant Treasurer is a great supporter of university deregulation, one-stop shops, environmental approvals, GP co-payments—and I have not got to the rest of the chapters of his book, although he was very good to sign a copy for me—I do urge him to rethink the opposition's approach to this. While we have some parts of the sector saying that this is fantastic because we have the capacity to deal with it, we also want to enable civil society, as it has been for many, many years now, to do the best that it can and that means there has to be differences of scale. With 600,000 not-for-profits, it means there will be a variety of size and scale and outcome. Of course, I do not believe that that means we should have fewer not-for-profits or fewer people involved in this space.

This repeal bill, I think, is a good start to ensuring that we have less complexity and less duplicative requirements. If you speak to different parts of the sector you will get different responses about how this should be handled. That does not mean the government should err from the course of their election commitment to reduce red tape and reduce regulatory requirements. There will be no ill effect on any of these not-for-profits by us abolishing the ACNC. There will be no diminishment of their capacity. There will be no financial penalty. There will be no lessening of their work or their scope. In fact, we will be giving the opportunity to do more, and we will be freeing up many smaller players to be able to get on with that work, which we want them doing, which is making our society a better place.

Mr NEUMANN (Blair) (17:49): I speak in support of the amendment of the shadow Assistant Treasurer in opposing the legislation before the chamber that the Australian Charities and Not-for-profits Commission, the ACNC, be abolished.

When I spoke in relation to the legislation establishing the Australian Charities and Not-for-profits Commission on 11 September 2012, I referred to the submission to the Senate Economics Committee by Dr Matthew Turnour, an expert in the area of not-for-profit law and regulation and a director of the Australian Charity Law Association. He quoted English academic, Jonathan Edward Garton's book, *The regulation of charities and civil society*, in identifying six overlapping grounds justifying the regulation of not-for-profit organisations. They include the following: preventing anticompetitive practices; controlling campaigning; ensuring trustworthiness; coordinating the sector; rectifying philanthropic failures; and preventing challenges to organisational quiddity. Dr Turnour, and others who have been quoted by the shadow Assistant Treasurer, are in support of the ACNC.

Indeed, Colombo and Hall, in writing in relation to the laws and regulations concerning charities, have pointed out that in ancient Greece, ancient Rome and in ancient Egypt there was regulation in respect of charities and, indeed, evidence of tax favourability. In the UK, since legislation introduced by William Pitt in relation to income taxation, there have been exemptions for the benefit of the not-for-profit sector. When I spoke on 11 September 2012 I actually said that I doubted if those opposite—the now government and the then opposition—would actually attempt to overturn this legislation, and I admit that I was wrong. It is something that the Prime Minister can barely bring himself to admit in relation to his broken promises. I was wrong.

I did not think that the government would actually do this, because the sector is overwhelmingly in support of the ACNC. Pro Bono Australia surveyed their people—and in fact, there were 154 submissions to the Senate Economics Legislation Committee inquiry that are available on the inquiry's website—and it reported that more than 80 per cent supported the ACNC. The member for Mitchell is wrong, in that respect, to cast doubt in relation to Pro Bono Australia's work. Curiously, it also reported that of the 13 organisations and individuals who were invited to give evidence at the inquiry's public hearing, more than half supported the repeal of the ACNC Act.

The Abbott government really does not care to listen to the voices of the sector and those who donate their time, money and effort to it, who want accountability and transparency. The Abbott government does not care that the ACNC is already cleaning up the sector, revoking the charity status of more than 240 organisations this year and moving towards deregistering another 3,500. This government does not care that, according to evidence given in estimates in October, the ACNC cost just \$15 million annually, but it saves Australian charities \$120 million annually in compliance costs. I will repeat that: it costs \$15 million annually but saves Australian charities \$120 million annually in compliance costs. So much for this legislation actually reducing the burdens and costs on the sector.

The government does not care that it seeks to return the regulation of charities to the ATO after it has already cut 3,000 ATO tax experts through its actions. The government does not care and does not consult. When it does, it does not listen to the sector. Its intention is to abolish the ACNC. It is an insult to the work of the not-for-profit sector and it will cause chaos in the sector. As the Community Council of Australia has warned, abolishing the ACNC would be a clear sign that the government is not interested in the views of the sector. Of course, it reeks of ideology surrounding its decision. That has not gone unnoticed in the sector. The St Vincent de Paul Society told the recent Senate Economics Legislation Committee inquiry into this bill that it is wary of what appears to be an ideological opposition to the very existence of the ACNC. We agree with the St Vincent de Paul Society.

The Abbott government's mistreatment of the sector stands in contrast to the consultative and collaborative way we approached the sector in government. We understood that the sector is vitally important to the nation's economy and the health of every Australian community. According to the latest ABS data, about 600,000 organisations make up the not-for-profit sector. Of these, almost 60,000 are economically active, employing more than a million Australians and contributing \$54 billion annually to the economy. A further five million people volunteer in the sector, contributing \$15 billion in unpaid work. The government has not paid this sector respect. It plans to kill off the ACNC despite the overwhelming support of the sector for the ACNC.

The Uniting Church told the recent Senate Economics Legislation Committee inquiring into this bill:

The Church was surprised that the current Federal Government wished to abolish the Commission and to separate various aspects, functions and roles of the current Commission which effectively threatens the benefits of one body being responsible for all. Additionally, we struggle to ascertain what will be the successor bodies, their roles and responsibilities, and how they will better benefit the sector and the Federal, State and Territory Governments.

The Australian Council of Social Services told the same inquiry:

It is unusual for an industry to be championing regulation. However, as the recipient of ineffective regulation for many years, the Australian NFP sector recognises the value of an effective, sector-centred, streamlined and proportionate regulatory regime.

The sector supports the ACNC because it spent 20 years advocating for a single-point, sector-centred national regulator. It was crying out for the harmonisation of the fragmented regulation under which it operated. That is why it supported it. The sector understands that these regulations require structured reform—reform which was wholeheartedly supported by both the 2010 Productivity Commission report commissioned by the then Labor government and the Henry tax review.

The Productivity Commission found that the not-for-profit sector faced an ad hoc regulatory regime—a dog's breakfast, would be more accurate. The sector was regulated by 180 pieces of Commonwealth, state and territory legislation and 19 separate agencies. Labor was the party that established the ACNC to streamline the regulation of the not-for-profit sector. The Productivity Commission described the situation as 'an unnecessarily complex, confused and costly regulatory environment'.

We listened to the sector and we established the ACNC. It has already reduced some of the duplication that can arise in our federal system. The ACNC administers a charity passport based on a 'report once, use often' framework. In consultation with other reforms which we brought in, a passport will reduce the amount of time charities and the not-for-profits will spend filling out forms and will allow them to spend more time working in their communities.

The ACT and South Australia will exempt nationally registered charities from having to register in their jurisdiction. We on this side of the chamber are concerned that the government's abolition of the ACNC will weaken transparency and accountability in the sector—transparency which has significantly increased through the creation of the ACNC's national register of Australian charities and not-for-profits. As of today, that website has almost 60,000 charities and not-for-profits on its register.

Importantly, it is freely available to the public to peruse. Anyone can check the register for details of a purported charity, including its ABN, its charitable status, where it operates and the services it provides. The ACNC register makes it easier for people considering donating their time and money and effort to a charity.

A recent search of the ACNC register shows that it lists 241 charities and not-for-profits active in my electorate of Blair, within the 4304, 4305 and 4306 postcodes. They include Choices Family Day Care; Ipswich Hospice Care; the 24/7 Cycling Safety Fund; Hannah's House; Kambu; Focal Extended; Ipswich Assist; IRASI; the Whitehill Church Of Christ; the Pine Mountain Rural Fire Brigade and the Ipswich Women's Centre Against Domestic Violence. And many of those organisations were actually at my Blair Disability Links event last Friday, 28 November, in which over 40 service providers participated, where I relaunched the information booklet. I am pleased to see so many of those organisations present there listed on the ACNC Register.

Some of those organisations work in my electorate and some of them work also outside it, but often they face cuts at the hands of the Campbell Newman LNP Queensland state government. And they are now facing the attitude taken by this government, here in this chamber—they are not listening.

What we need to do for this sector is to support it. Protection is provided by and available through the Australian Charities and Not-for-profits Commission, which clamps down on fraudulent behaviours—though, thankfully, they are rare. In its first year of operation, the ACNC received 202 complaints against charities, including 48 for fraud or criminal activity.

But, as the shadow Assistant Treasurer pointed out, it is also engaged in an Indigenous communities engagement strategy. And, as the shadow minister for Indigenous affairs, I am pleased to see that the ACNC has employed two Aboriginal liaison officers who can provide help to those clients who are of Aboriginal and Torres Strait Islander descent, in those community-controlled services, because it is important to provide those, to end disadvantage, and it is important to improve closing the gap activities, and many of these not-for-profits are involved in such activities.

But where does this come from? This comes from the attitude of the current government—despite the fact that they will not listen to the Community Council for Australia; they will not listen to ACOSS; they will not listen to the Law Council of Australia; they will not listen to Legacy Australia Council; they will not listen to the Breast Cancer Network Australia; and they will not even listen to the Uniting Church in relation to this. Where does it come from? It seems to come from the attitude of the Minister for Social Services. I refer to a speech he made at the Aon Breakfast Forum on 30 April, subsequent, by the way, to the legislation being introduced in this chamber—and it has been in this House for such a long time, I wondered what they were going to do. He seems to rely on a 1942 report, the *Report of the inter-departmental committee on social insurance and allied services*, better known as the Beveridge report, which talked about the 'giant evils' of society—squalor, ignorance, want, idleness and disease—as if, somehow, that report, of 1942, was that which we had to follow. No-one in this chamber, I think, would be against getting rid of squalor, ignorance, want, idleness or disease, but simply to be

committed to this sort of approach seems out of date, conservative and as if not listening to modern Australian needs. It is certainly not listening to the sector.

What is interesting is that he says in that speech, 'Government doesn't have all the answers.' Seriously, I do not think that anyone in Australia believes that government, or any organisation, individual, company or not-for-profit has all the answers. But, of the Abbott government, the minister said in that speech:

Ours is a Government steeped in a humble awareness of its imprecise knowledge and imperfect capabilities.

What an interesting comment, in view of the 'barnacles' they are trying to get rid of at the moment. But it is an interesting attitude to take—it is a 1942 attitude that the minister seems to have.

But the minister is yet to reveal anything about what will replace the ACNC. In a speech in January this year, he referred to a national centre of excellence, which would act as a sort of fount of innovation and advocacy. It sounds a bit fluffy, if you ask me; it sounds as fluffy as the Treasurer's and the health minister's medical research fund. And he talked, in the media reports, about a US based charity evaluator called the Charity Navigator, which simply rates charities but has no power to intervene as a regulator. Indeed, the charity regulators in the USA are looking to replicate our successful ACNC. So I am very curious about what the government is going to do about this, should this legislation actually get through both the House and the Senate.

But we will not sit idly by while this government tears down the ACNC and removes the only pathway to guaranteeing a transparent and accountable Australian not-for-profit sector. So we will oppose this bill.

WYATT ROY (Longman) (18:05): I also rise to speak on the Australian Charities and Not-for-profits Commission (Repeal) (No. 1) Bill 2014. This bill seeks to implement the government's election commitment to abolish the Australian Charities and Not-for-profits Commission, or ACNC. The commission was established under the Australian Charities and Not-for-profits Commission Act 2012 and began on 3 December 2012 with legislation introduced by the Rudd-Gillard-Rudd government.

In opposition, we opposed the formation of this new charities regulator—and for very good reason. It is yet another classic red-tape case of a heavy and entirely unnecessary compliance burden making life much more difficult for that key plank of civil society, our charities. Our red-tape demolition agenda, driven by the member for Kooyong and Parliamentary Secretary to the Prime Minister, has crossed out more than \$2.1 billion worth of redundant, overbearing and obstructionist legislation and regulation. That is double our target for this year. And this repeal is another important component of that agenda.

The Labor Party dreamed up the ACNC because it did not trust the charitable sector. Their distrust saw Labor once again reaching for their notorious hair trigger on regulation. The coalition government sees things quite differently. We are most reticent to put government and bureaucracy in the way of the functioning, cohesive social order that should underpin our communities. By definition, civil society is that sphere of action sitting between the state, the market and everyday households. It is a space where NGOs and the wider community can realise change through campaigns, voluntary activities and other forms of assistance.

Civil society includes the charitable sector. We, on this side of the House trust our charities and the not-for-profit organisations. Why? Because we believe, and know, that the charitable sector comprises largely good, unselfish and principled people volunteering their time, effort and even financial resources to performing often exceptional deeds on behalf of their communities. These inspiring people—and I celebrate them every year locally with my Longman awards—deserve nothing less than a presumption that honour and integrity is implicit in the work that they do. Labor's instinctive approach, however, was to drag them under the lens of government regulation. That is because Labor established the ACNC on the premise that Australian charities and the not-for-profits were doing something inherently wrong and required muscled-up government oversight. This government utterly rejects that assumption.

The majority of states have not even signed over their powers to the ACNC, accentuating the onerous and duplicative regulatory environment for charities. At the same time, wide support for the abolition of the ACNC has come from major entities across Australia such as Universities Australia, the Association of Australian Medical Research Institutes, Catholic Health and the Independent Schools Council of Australia plus, countless local charities that I have spoken to in my community. This is a repeal that the not-for-profits and charities sector clearly want. Members opposite are shaking their heads, but I would encourage them to do what I have done and go out and talk to the local charities that face this unnecessary regulatory and compliance burden in the bills that we are seeking to repeal here today.

The government introduced the Australian Charities and Not-for-profits Commission (Repeal) (No 1) Bill on our March repeal day as part of a two-stage legislative process to terminate Labor's large and ungainly new super regulator for charities and not-for-profits. By abolishing the ACNC, we deliver on our commitment to reduce complexity for charities and not-for-profits, helping them to get on with the integral work they do. Contrary to

what those on the other side of this chamber may put around, I can inform the House that the coalition has consulted extensively on this policy agenda with hundreds of sector stakeholders both before and after last year's federal election. We first declared in September 2012 our intention to abolish the ACNC. So Labor's claim that there has been inadequate time and room for discussion in this public arena is a blatant falsehood. The government has already delivered greater certainty to civil society with our reform to grant and contracting arrangements. Our provision for longer contracting periods has increased confidence for social service providers in their planning of leases, operational and staffing matters.

Let there be no mistake: the government values the dedicated service and contribution that civil society injects locally, nationally and internationally. It is important work. Through the mechanisms of civil society, communities develop identity and build resilience. As Australians, lending a helping hand to those in need is in our DNA. In Longman, I have launched a drive to boost my community's volunteer army at the click of a button with the 'Do Something Near You' portal on my website. 'Do Something Near You' is a breakthrough in online volunteering. It is the brainchild of the not-for-profit organisation Do Something, whose creators include Planet Ark founders Jon Dee and former tennis champion Pat Cash. In my electorate, this service enables volunteers to sign up for their local SES or rural fire service, donate blood to the Red Cross, assist the RSPCA, join their local Rotary or Lions Club, or help out with myriad other projects and organisations.

In Australia, our volunteering rates compare favourably with other nations, with more than a third of the adult population involved. But, obviously, that still leaves a lot of room for improvement. While most people will tell you they have thought about volunteering, busy lives often mean that they never quite get around to it. Research shows volunteers enjoy an increased sense of community belonging and often a lift in their physical and mental wellbeing. The economic impact of Australia's volunteer workforce is about \$18 billion a year. All of this points to why the coalition government is determined to help, not hinder, civil society. Instead of making it easier for civil society, the ACNC has made it harder—increasing and duplicating regulatory burdens, which in the end discourage involvement in voluntary and community endeavour.

Under the current legislation—which I might add was rushed through this parliament by the former Labor government in cahoots with the Independents and Greens here in the House and the Greens in the Senate—the ACNC requires charities to produce more information for yet another agency of government, along with heightened reporting requirements. It is a fact that many Australians would not be aware that the ACNC has been given more power than the regulators of the corporate sector.

In place of the ACNC, the government will establish a new centre for excellence with ownership transitioning to the sector itself. The new centre will focus on education, innovation and training within the charities sector. It will advocate for and empower our charities and not-for-profits. In other words, the centre for excellence will be in the sector, of the sector and for the sector. This government is committed to providing real support to civil society via cutting red tape, simplifying reporting requirements and granting greater certainty through streamlined contracting arrangements. Rather than the heavy-handed, coercive regulatory approach of the ACNC, we believe in our charities and their honourable stated goals around improving the lives of their fellow citizens. These sterling people deserve our gratitude and they deserve our faith. I commend this bill to the House.

Ms CLAYDON (Newcastle) (18:14): Just listening to contributions of members opposite in relation to the Australian Charities and Not-for-profits Commission (Repeal) (No. 1) Bill leads me to ask: what parallel universe do members opposite actually occupy here? The self-delusion that this bill is somehow in keeping with the key lines issued in today's briefings to members opposite where they are meant to sing the praises of their year of achievements is part of an utterly desperate attempt to override or reboot what has been nothing but a shocking year for this government.

However, tonight I do wish to join with my Labor colleagues on this side of the House in opposition to the Australian Charities and Not-for-profits Commission (Repeal) (No. 1) Bill. The proposal to abolish the commission is ill-considered, unpopular and should be dumped. The commission was established by Labor, in 2012, following an extensive 15-year period of review and consultation. It was established for the right reasons and it had been doing exactly what it was set up to do, operating efficiently and effectively to assist charities, donors and taxpayers.

Quite simply, the government's plan to abolish the commission is an insult to the good work of the charitable sector and to all Australians who want accountability and transparency when it comes to their generous donations. The government, led by the Minister for Social Services, has pledged to scrap the commission on the grounds that requiring charities to report on their financial and corporate operations is somehow just simply red tape. The government plans to return responsibility for regulating charities to the Australian tax office, at the same time that it is sacking more than 4,700 staff from this agency, including many from my electorate of Newcastle.

The Australian not-for-profit sector generates income of approximately \$100 billion a year and employs over 900,000 Australians. Before the establishment of the commission, there was no dedicated regulator for this significant segment of the Australian economy. There are no reasonable grounds to scrap the commission.

The Senate Economics Legislation Committee conducted an inquiry into the ACNC Repeal Bill in June 2014. Of the 155 charities and other organisations which made a submission to that inquiry, over 80 per cent supported retaining the charities commission.

True to form, however, this government rejects all the evidence before us and pursues its own narrow ideological agenda or that of the somewhat uncharitable IPA instead.

The commission is protecting Australians from charity scammers by requiring not-for-profits to report annually on their financial activities and creating a searchable register so that people can quickly check the bona fides of an organisation before donating money.

To date, the commission has registered 59,697 charities on the online register. It has also pursued legal action against four dodgy charities for ripping off donors and has revoked the charity status of over 700 more organisations for failing to report on their annual activity.

According to evidence given at estimates, in October 2014, the ACNC saves Australian charities \$120 million a year by reducing compliance costs and red tape. An independent study by Ernst & Young confirmed that the ACNC significantly reduced the reporting burden for charities, leaving them more time to focus on helping Australian communities. The report noted:

A core component of the Australian Charities and Not-for-profits Commission's reporting framework and efforts around reducing red tape is the "report once, use often" principle. This principle is consistent with recommendations issued by the Productivity Commission, the National Commission of Audit, the Australian National Audit Office, the Treasury and the Department of Finance.

The 2014 Pro Bono Australia 'State of the Sector' survey found that 82 per cent of respondents believe the Australian Charities and Not-for-profits Commission is important, or extremely important, for the thriving not-for-profit sector. That is consistent with the 83 per cent of respondents who backed the commission in the 2013 survey.

Only six per cent of those surveyed agreed with Minister Kevin Andrews that the Australian tax office should resume responsibility for regulating charities. That is exactly the same figure contained in the 2013 Pro Bono survey. That is a massive 94 per cent endorsement of the current arrangements under the commission. Charities support the commission, the Australian public recognise the need for the commission and the governance role it plays is vital in regulating a very large sector within Australia.

Indeed, some of Australia's most well-established and respected charities felt so strongly about the issues that they took the very courageous step of publishing an open letter, urging the government to reconsider their push to abolish the commission before the Senate inquiry was launched. Charities such as Lifeline, ACOSS, Save the Children, the RSPCA, Youth Off the Streets, World Vision, St John Ambulance Australia, the McGrath Foundation and Wesley Mission Australia are among those who signed the letter and called on the government to keep the commission. In their letter to the Prime Minister, these charities argued their case succinctly. They said:

We want to make it very clear to the Commonwealth Government and wider community that like most charities across Australia, we value the Australian Charities and Not-for-Profits Commission, and we want to see it continue its impressive work.

Moreover:

The ACNC has done what few new regulators achieve—gained widespread support across the sector it is regulating.

These are strong words that should be taken heed of. As mentioned, the majority of submissions to the Senate Economics Legislation Committee's inquiry into this bill supported the commission and its regulatory role. In their submission, the Law Council of Australia said:

... the Australian Charities and Not-for-profits Commission ('ACNC') is the body most appropriate to determine the charitable status of entities that are seeking tax concessions under the Federal tax legislation and to regulate them thereafter.

And further:

The Taxation Committee believes that it is not appropriate for that role to revert to the Commissioner of Taxation.

The St Vincent de Paul Society said:

The current bill seeks to repeal the ACNC ... The society opposes this move. The society, while believing that there is much to be gained from a constructive and critical engagement in ensuring that the ACNC fulfils its role, is opposed to this bill and is wary of what appears to be an ideological opposition to the very existence of the ACNC.

These are just two of the many, many comments supporting the role of the commission that were made before the Senate inquiry.

The charities and not-for-profit sector plays a vital role in our community, contributing both economically and socially. Importantly, the sector employs more than one million Australians, turns over around \$100 billion per annum, involves almost five million volunteers and nurtures and supports all of our communities—including my community of Newcastle. According to the commission's charity register, the Newcastle electorate is home to more than 450 registered charities—that is, 450 organisations, large and small, doing great things to support local communities in Newcastle. None is more important or less important than the others—from the Dixon Park Surf Life Saving Club, which supports our young nippers, to homelessness support organisations such as the Samaritans, to disability service providers such as Connectability or any one of my 65 local P&C groups. Charities support the whole of our community, not just the vulnerable. And charities need the support of a strong, dedicated regulator—a job the commission is doing aptly.

Another important role the commission plays is in helping to reduce and eliminate scammers. At a time when so many Australians are being exposed to any number of increasingly sophisticated scams, we need the commission to help protect both the registered charities and members of the public who donate their hard-earned money to worthy causes. The Australian Competition and Consumer Commission's *Little Black Book of Scams* details the situation well. Scammers will try anything to get our money. Charity scams, in particular, are not uncommon. They misdirect money away from legitimate, registered charitable organisations and into the pockets of scammers. Common tactics include exploiting natural disasters and crises in the news to collect funds, masquerading as a charity worker or creating a fictitious charity to fool people into making donations. They are usually scams that play on emotions, looking to collect for a cause that will likely secure sympathy.

In the same way that ASIC provides investors with the confidence they need to buy shares in companies, the commission provides donors with the confidence that registered charities are actually performing genuinely charitable works. The Abbott Liberal government might want us to believe that the ACNC is yet another example of government over-reaching, of involving itself where it is not needed or wanted, and adding to the so-called burden of red tape. But it is worth asking: not wanted by whom? Fake charities? Money launderers? Tax evaders? Dodgy operators? Conmen? This government, the IPA and its financial backers may not want the commission but most Australian charities and not-for-profits do.

We might also ask: who in the charitable industry was consulted on these proposed changes? In response to a question on notice asking for details of who has been involved in consultations about what might replace the commission, the minister responsible listed 31 people representing 23 organisations. Curiously, some on the minister's list do not believe that they were in fact consulted. They have written to the shadow Assistant Treasurer noting their concern that the minister has sought to mislead the public about their involvement in consultations with his personal staff and the Department of Social Services. One correspondent wrote: 'It was in no way a consultation and I will write to the DSS and the Senate committee to have my name removed from the list as I was not consulted in any other forum or at any other time.'

This is a government hiding behind an illusion of consultation to ram home an ideological agenda. As the Community Council of Australia has warned, abolishing the commission would be a sign that the government is not interested in the views of the charity sector. It would harm charities, who will lose visibility and governance support. And it would be bad for the public, who will be more exposed to fraud and scams. It has been exactly one year since the Minister for Social Services stood up in this place and committed to sending the charities commission to the chopping block. Time has not improved this bill. Labor will stand against the government's attempts to scrap transparency and accountability in the not-for-profit sector and strongly oppose this bill. I call on the government to abandon their ludicrous plans to axe the commission and to instead better support Australian charities in the great work they are doing in our communities.

Mrs PRENTICE (Ryan) (18:28): I rise today to speak in support of the Australian Charities and Not-for-profits Commission (Repeal) (No. 1) Bill 2014. The abolition of this bill will remove the red tape that was strangling the efforts of, and making life harder for, the many volunteers who devote their time to bettering the lives of others. I would just like to touch on a few points about the importance of charities and not-for-profits in our community. Charities and not-for-profits are vital to civil society. They not only contribute to the general wellbeing of communities by lending a helping hand to those in need but also generate a significant amount of money for Australia. In fact, charities and not-for-profit organisations generate about five per cent of the national economy. They provide as many as one million paid positions—that is, one in twelve of the nation's jobs. Charities and not-for-profit organisations involve more than six million volunteers—a wage equivalent of \$15 billion each year. Overall they provide annual revenue of about \$100 billion to Australia.

So, to add even more regulation to the running of these organisations was an absurd decision. All it has done is create a burden that would discourage involvement in our many thousands of volunteer organisations. The former government's introduction of this bill showed disrespect for these organisations and was based on the unfair delusion that all charities need to be policed. While the former government might have held this opinion, it is not the case for the Australian public. Australians have long demonstrated a strong trust in the not-for-profit and charity sector by international standards. Not only do we have a high level of volunteering and charitable giving occurring nationally, but in 2013 we were ranked the Most Generous Country by the Charities Aid Foundation's World Giving Index.

Charities and not-for-profit organisations play a vital role in civil society and work hard to gain the public's trust. Indeed, these days there is a healthy competition for donations, and this—not legislation—is what will encourage further giving. They do not need to be burdened with even more regulations; they need to be able to devote more time to outreach services and more time to doing what they do best. The abolition of this bill is consistent with the coalition government's broader deregulation agenda and will remove excessive, unnecessary and overly complex red tape.

In my electorate of Ryan I see firsthand the amazing work that is accomplished by charities and not-for-profit groups. Just recently I attended Party in the Paddock, a celebration for the 50th anniversary of the McIntyre Centre, which provides equestrian programs for young people with disabilities. The centre has the outstanding support of the community. Together they raised \$50,000 at this one event, all of which will go towards helping more than 200 young people. These 200 people would not have access to such specialised programs without the help of the McIntyre Centre and its tireless volunteers. Volunteers are essential to the running of the McIntyre Centre. Without them, the centre could be forced to turn away children who would thrive in these programs.

Another not-for-profit organisation in my electorate is the Picabeen Community Centre, in the heart of Mitchelton. They have for many years run programs ranging from legal help to play groups and tutoring for schoolchildren and literacy courses for adults and have provided counselling services and computer access. They also run Clothesline, an initiative for women who suffer from sexual and domestic violence. In their 2014 report their president affirms just how vital volunteers are to the success of this organisation:

Without the volunteers Picabeen Community Association would not be able to offer the activities and services that it offers and it would not be able to fundraise.

The McIntyre Centre and Picabeen are just two organisations of many in Ryan that would not be able to provide support to the most vulnerable in our community without their volunteers. The Australian Charities and Not-for-profit Commission, and the regulations that come with it, creates an extra burden to these special organisations—a burden that could discourage involvement altogether.

These organisations need our support. They need less red tape and they need less regulations so that they can focus their attention on supporting our most vulnerable. The work these organisations do for our community is second to none, and it is important that they are respected. That is why, in place of the Australian Charities and Not-for-profits Commission, the government will establish a centre for excellence. This small body will promote innovation, education and training. It will empower the sector and allow for advocacy, meaning that the people inside the sector will have a say in what happens within it. The introduction of a centre for excellence will allow charities and not-for-profits to focus all their attention on the important outreach work they do, not on complex internal paperwork.

The coalition is committed to delivering more certainty in the civil sector, reducing complexities and reforming grant and contract arrangements. The coalition government wholeheartedly values the service and contributions that charities and not-for-profits provide to the Australian public, and we will honour our election promise to abolish this commission to give the power back to the sector. I commend this bill to the House.

Mr STEPHEN JONES (Throsby) (18:34): The bill before the House concerns the Australian Charities and Not-for-profits Commission, which was founded in 2012 by the Labor government. This bill—the Australian Charities and Not-for-profits Commission (Repeal Day) (No. 1) Bill 2014—seeks to abolish it, and that is nothing short of an act of legislative vandalism. Why? Because the commission actually has broad support within the community that it seeks to regulate, and that is not a common thing amongst the regulated. It has broad support amongst the charities and not-for-profits sector, a very important sector of our community and of our economy. It generates an income of approximately \$100 billion a year and employs close to a million Australians. In some communities, the charities and not-for-profit sector is one of the largest employers in town. The sector runs organisations as diverse as community housing, emergency housing shelters, recycling and printing, disability enterprises, coffee shops, soup kitchens, employment agencies, environment protection groups, researchers and think tanks—the list goes on. But one thing that has united them all is their opposition to what the government is doing with this bill before the House today.

The not-for-profit sector was regulated at the federal level principally by the Australian Taxation Office. Those in the sector had relationships, if they were funded by the Commonwealth government, with all the funding agencies in relation to those funding programs. Despite all the reporting requirements in each Australian jurisdiction, there were public reporting obligations for the non-for-profit sector. So, we needed to have a look at this. And whilst Labor holds in very high regard the great work of the Australian Taxation Office and the men and women who work there, often under great pressure, there was a belief that there was a conflict of interest at times regarding the role of the ATO in determining the charitable status of organisations they would otherwise be collecting revenue from.

There was also a problem with the absence of uniform reporting arrangements, which meant a lack of transparency and accountability. Much of their time is not spent on charitable works, but in fact on reporting to local, state and Commonwealth governments.

When Labor decided to clean up this mess in response to the calls from the not-for-profit sector that they were spending too much of their valuable time not dealing with their main mission, the charity and not-for-profit work, but complying with government regulations, it was not a capricious act of Canberra-based centralism, as many previous speakers have attempted to characterise it. It was actually the continuation of a long line of thought that spanned over successive governments. Inquiries commissioned by several governments had recommended the establishment of just such a regulator. Regrettably, successive governments did not implement the recommendations of those reports.

For example, in 2001 the Howard government commissioned an inquiry into the charities and related organisations. It recommended:

... the Government consider establishing a comprehensive national administrative framework for the charitable and related sector.

Again in 2008, the Senate Economics Committee inquired into the disclosure regimes for the not-for-profits and recommended that there be a single independent national regulator for not-for-profit organisations.

Moving forward to 2010, the Henry review found that a national charities commission should be established to monitor, regulate and provide advice to all not-for-profit organisations. In that same year, the Productivity Commission recommended the establishment of a one-stop shop for Commonwealth regulation and tax endorsement of the not-for-profit sector.

The Senate Economics Legislation Committee inquired into the Tax Laws Amendment (Public Benefit Test) Bill in 2010. Again, it recommended that the way to improve transparency in the sector was to establish a single independent national commission for not-for-profits.

So the Australian Charities and Not-for-profits Commission was not an accidental creation. It was not conceived of one night in an office around this place and rushed through the parliament. In fact it was the subject of successive government inquiries spanning almost a decade and half, and careful consideration and careful consultation with the sector. Indeed, I sat on the House economics committee which inquired into the original bill that was put before the House, and we responded to a number of the issues that were raised by those within the sector. It was against this background that so many within the sector said, 'This is a good idea: it deserves our support.' Far from scrapping it now, it should be allowed to be bedded in, expanded and allowed to do its work.

The ACNC protects Australians in many ways and it helps to regulate the sector. For example, it protects against charity scammers, who use Australians' goodwill towards charities and the desire by most Australians to do the right thing by the not-for-profit and the charity sector. It protects against those who would seek to abuse that sentiment within the Australian public for scamming purposes by requiring not-for-profits to report annually on their financial activities and creating a searchable register so that people can quickly check the credentials of charities before making a donation.

In its short period of operation, the commission has registered almost 60,000 charities on its online register and commenced legal action against charities who were found to be ripping off unsuspecting donors. It has also revoked the charitable status of over 700 organisations for failing to report their annual activities.

Earlier this year the Senate estimates heard that the ACNC saves Australian charities around \$120 million a year by reducing the red tape and compliance costs that would otherwise be visited upon them. Indeed, Ernst & Young conducted an independent study which confirmed that the ACNC significantly reduced the reporting burden for charities, leaving them more time to focus on their charitable activities.

The principle, which was at the heart of the establishment of the ACNC, was that they adopt the 'report once and use often' principle. This was a response from many within the sector who say they spend so much of their time providing the same information not only to various levels of government but to various departments within the same level of government. Apply for this; comply with this regulation; fill in this form—completely

duplicating the information that is collected between one department and another. So the ACNC adopted the 'report once and use often' principle, and it is working.

In 2014 Pro Bono Australia conducted the *State of the Not for Profit Sector Survey*, which found that 82 per cent of respondents believe the ACNC is important or extremely important for creating a vibrant not-for-profit sector. Only six per cent of respondents agreed with Minister Kevin Andrews that the ATO should resume responsibility—which is exactly what is being proposed by the bill before the House. That is, 94 per cent think it is working well—it is either important or extremely important to the sector; six per cent are nay-sayers. Yet the minister chooses to act on the advice of the six per cent and not the 94 per cent. Is it any wonder that the government finds itself in so much trouble when you consider that this is the way they respond to regulating the sector. Responsible governments will listen to the community, they will listen to the industry that they are seeking to regulate and work with, and they will respond. But it would appear this government is doing exactly the opposite.

The Senate Standing Committee on Economics has heard a great deal of evidence about the repeal of this bill, evidence from important organisations, national and international. Amnesty International, for example, has told the Senate that the organisation does not support repeal of the legislation establishing the Australian Charities and Not-for-profits Commission, a sentiment repeated by the evidence given by the Australian Association of Christian Schools when they said:

AACS would like to express its deep concern about the projected dismantling of the ACNC under the Coalition Government.

... ..

AACS is totally opposed to the return of regulatory and compliance functions to ASIC and the ATO.

Jesuit Social Services Australia has told the Senate that:

We oppose this legislation and consider short-sighted the push to abolish a national regulatory framework that is in its infancy.

They go on to say:

The Bill ... undermines many years of positive work to increase levels of transparency and accountability in the charity and not-for-profit sector ...

The St Vincent de Paul organisation say something similar. They say it:

... appears to be an ideological opposition to the very existence of the ACNC.

World Vision Australia strongly supports the existence of a single national regulator of charities and believes that the ACNC is the appropriate regulator. So you have got to wonder what is going on in the minds of those opposite.

You are about my vintage, Mr Deputy Speaker, so you would probably recall that a Bulgarian-born installation artist by the name of Cristo made a visit to Australia in 1969. He made a bit of a hit of himself by wrapping Little Bay near Sydney. He entirely wrapped it up in paper and plastic. That was one of his first installations. He has travelled the world since then.

Mr Jones holds up a sheet of paper—

Mr EWEN JONES: Here is a picture which you are probably familiar with of the Pont Neuf in Paris. He entirely wrapped the Pont Neuf in Paris and the Reichstag in Berlin. In fact, he has made a great name for himself by wrapping various public buildings in tape and other materials.

I have got a say that if Cristo ever wants to revisit Australia then he could find a great collaborative partner in the Cristo from Kooyong because we have heard great speeches from the Cristo from Kooyong, the parliamentary secretary Josh Frydenberg, when he introduced into this place the red tape repeal day legislation. He had some pretty fine things to say about the importance of removing red tape. He said that when they came to government they committed to cut \$1 billion a year in red tape. They said that regulation will no longer be the default action of government. It will only be a means of last resort after every other avenue is exhausted. So you have got to ask yourself: what is going through the mind of the Cristo from Kooyong in repealing the very piece of legislation which is designed to remove red tape from the charities and not-for-profit sector?

Mrs Markus: Rubbish!

Mr EWEN JONES: It is not the voices from the opposition that are saying this. It is the voices from the sector themselves. They are telling us that they were drowning in red tape, drowning in compliance burden. There was more tape, more wrapping, than a Cristo installation. What is the government's answer to this problem? Instead of supporting and enhancing the functions of the ACNC—the report once, use often principle—they abolish that and go back to the bad old days where the great people in the charities and not-for-profit sector, instead of spending all their time doing the great work in the community, are now going to be forced to spend a

great deal of their time on a compliance burden which is entirely unnecessary. It is why we say this is an act of vandalism, and those on the other side ought to think again. The bill should be rejected.

The DEPUTY SPEAKER (Mr Whiteley): I thank the member and assure him I am his senior, by five years. I wish it was not the case.

Mrs MARKUS (Macquarie) (18:49): It is hard to believe that members opposite would argue that the Australian Charities and Not-for-Profit Commission (ACNC) Repeal Bill 2014 would actually result in more red tape when the ACNC, when it was introduced by members on the opposite side in the then government, the Labor government, actually introduced another layer of bureaucracy. What has happened and what we have seen happen since is that other layers of bureaucracy in the states are still requiring charitable organisations to provide them with reporting and information which, in fact, provides other layers of bureaucracy. So this bill today is another product of this government's determination to deliver on its election commitments.

In opposition the coalition opposed the establishment of the ACNC because it imposed an unnecessary compliance burden on very vital sections of our civil society. The abolition of the ACNC is an election commitment that this government intends to fulfil. Labor set up the ACNC because it did not trust the charitable sector. We believe that the charitable sector is composed, by and large, of good people, many volunteering and donating their time, their effort and their finances to make a significant contribution and a difference not just in the local communities but in this nation and often in nations that are vulnerable around the globe.

This government takes the approach that the charitable sector can be relied upon, that the charitable sector has a determination to manage itself responsibly according to the highest standards. Not-for-profit organisations are geared towards providing essential services to the community—not profit. Moreover, states have not relinquished their responsibility to regulate the charitable sector to the ACNC. Consequently, the bulk of charities are subjected to regulatory requirements from more than one jurisdiction. For charitable organisations that operate across the whole of the nation this is multiplied.

The abolition of the ACNC is also an important component of our red-tape reduction agenda that will lessen the regulatory compliance burden on charities. In June 2013, when the Charities Bill 2013, along with the Charities (Consequential Amendments and Transitional Provisions) Bill 2013, was introduced to this parliament, I spoke against its adoption. I stood before this parliament and declared that the bill would not benefit charities. Labor's charities bill sought to change the public's understanding of charities to conform with their distrust of the sector's capabilities and their disbelief that the sector could conduct itself honestly. I would like to remind the House of the definition of charities; a definition that is unilaterally understood. The definition of charities is 400 years old. Common law has served us well. Since Federation, the definition of charity has remained clear and consistent. It has remained a cornerstone of what constitutes charitable endeavour and what constitutes charitable activity in this nation.

The Labor government pushed through the legislation that triggered suspicion and mistrust of this essential sector of civil society. Labor is accusing this government of not seeking thorough enough consultation with the sector before the consideration of this bill. May I remind the members opposite that the public consultation phase on the draft definition of the words 'charity' and 'charitable purpose' presented by the previous Labor government was open to consultation for less than four weeks. Apparently, Labor thought they knew better than 400 years of history and simultaneously thought nothing of redefining definitions that have served the sector so well. Why depart from 400 years of clarity and consistency?

I clarified to the parliament at the time that the coalition would seek to repeal this bill if elected. The government is committed to community consultation, and we take seriously the importance of empowering the charitable sector within our society. The charitable sector itself has, at its heart, the goal and the purpose of empowering those they serve to overcome barriers and disadvantage, thereby enabling the most vulnerable in our society to fulfil their potential.

In September 2012, the coalition first announced its intention to abolish the ACNC, and Minister Andrews has discussed this policy agenda with hundreds of sector's stakeholders, both before and after the September 2013 election. Therefore, the government rejects Labor's argument that there has been inadequate consultation.

Support for ACNC abolition from such organisations as Universities Australia and the Association of Australian Medical Research Institutes demonstrates that the government's civil society agenda enjoys wide support in the not-for-profit charities sector. In its submission to the Senate Economics Committee inquiry into ACNC repeal bill, Universities Australia made clear their view:

No public interest objective is advanced by the ACNC, imposing additional governance standards obligations on the university sector, which is already more thoroughly and comprehensively regulated by another government agency—the Tertiary Education Quality and Standards Agency.

The Association of Australian Medical Research Institutes, AAMRI, also expressed concerns with regard to the ACNC Act:

The ACNC Act has not been successful in consolidating and streamlining financial reporting requirements ... AAMRI contends that the ACNC charity passport, which aims to reduce duplicative reporting across federal, state and territory legislatures, is unlikely to work to significant benefit

The coalition's commitment to the people of Australia is to abolish the ACNC, which represents another strand in the pile of Labor red tape that is being systematically and methodically eliminated by the coalition government.

This has been the intention of this government for some time. This is not a new initiative. The government introduced the Australian Charities and Not-for-profits Commission (Repeal) (No. 1) Bill 2014 on repeal day in March as part of a two-stage legislative process leading to the abolition of Labor's superfluous regulations for charities and not-for-profits. We have been up-front about this. The ACNC has introduced a new and unnecessary layer of administration, duplicating regulatory requirements for charities with those already imposed by states. The ACNC has established a new reporting framework that requires all registered charities to provide an annual information statement. Charities continue to be regulated by the respective state and territory authority, both if they are an incorporated association or an unincorporated body. The legislation to create the ACNC was rushed through parliament by Labor and the Independents in the House, and then by Labor and the Greens in the Senate. By abolishing the ACNC, the coalition will deliver on our commitment to reduce complexity for charities and not-for-profits.

The coalition's approach to the charitable sector is based on the belief that Australian charities and not-for-profit organisations strengthen our nation through their contribution to communities right across Australia. We are not going to hinder that with unnecessary regulation. We will establish a new National Centre for Excellence, with ownership transitioning to the sector. The centre will focus on education, innovation and training, and it will work to advocate for and empower the sector to achieve the outcomes that they identify as vital for the communities and people they serve.

The government values the dedicated service and contribution that civil society provides locally, nationally and internationally. We believe it is vital that we empower this sector. We understand that the charitable sector plays a role and fills a gap that the government never could.

Before entering parliament, I worked as a social worker for some 25 years. My work meant I was on the ground seeing firsthand the work of the charitable sector. The many organisations that make up the charitable sector are trusted pillars in the community. There are the Red Cross, St Vincent de Paul, the Wesley Mission and the many not-for-profit small organisations that work on a daily basis for the most vulnerable in our community. There are other charitable organisations, like Sydney City Mission, who work for the homeless, Heed the Cry Appeal, and Blue Mountains Cancer Help within the electorate of Macquarie. They have an indelible impact on our communities.

Families, lone parents, the seniors in our society and our young people who are battling to identify how they can move forward, rely on the helping hand, strength and commitment of these organisations. The passion of these organisations is to bring support and hope and respond to the needs of those who are our most vulnerable.

Instead of making it easy for civil society, the ACNC has made it harder, with increased and duplicated regulatory burdens discouraging involvement in voluntary and community endeavour. Many Australians would not know that the ACNC has been granted more power than the regulators of the corporate sector. Under its legislation the ACNC requires more information from civil society, from yet another agency of government, and it has increased reporting requirements.

The government has already delivered greater certainty to civil society through our current reform of grant and contracting arrangements that provide longer contracting periods. This provides more certainty to social-service providers, enabling them to make plans more easily on leases and operational and staffing matters.

In place of the ACNC, the government will establish a Centre for Excellence, the ownership of which will be transitioned to the sector itself. I, like many on this side of the House, am passionate about the sector taking ownership of self-regulation, and applying the expertise and experience it has to offer. The new Centre for Excellence will promote innovation and education and training within the sector and will advocate for the sector.

This government is serious about providing real support to civil society, including our plan to cut red tape and our plan to simplify reporting requirements and provide greater certainty through streamlined contracting arrangements. The last thing that the coalition wants to do, especially in these fiscally difficult times, is to hamper the activities of our civil society in delivering on its aspirations. I commend the bill to the House.

Ms BRODTMANN (Canberra) (19:02): I rise today to join my Labor colleagues in opposing the government's plan to axe the Australian Charities and Not-for-profits Commission. This is the first of two bills to repeal the

ACNC. It proposes to repeal the ACNC Act 2012 with replacement arrangements set to be dealt with in a later bill.

The commission was introduced by the former Labor government in October 2012 and was set up to provide the public with a freely-available resource on charities. Its objectives are to maintain, protect and enhance public trust and confidence in the Australian not-for-profit sector; to support and sustain a robust, vibrant, independent and innovative Australian not-for-profit sector; and to promote the reduction of unnecessary regulatory obligations on the Australian not-for-profit sector.

Despite that last point, the Abbott government believes that abolishing the commission will reduce red tape for the charity sector. Every day, we hear the Abbott government claiming to be cutting red tape. Ironically, scrapping the commission means abolishing its red-tape-reduction directorate—the very people in charge of reducing regulatory burdens.

The ACNC plays an important role in society. It was set up for a reason. It should remain in place for that reason. It is protecting Australians from charity scammers by requiring not-for-profits to report annually on their financial activities. It has also created a searchable register so that people can quickly check the bona fides of an organisation before donating money.

The establishment of the commission was a key reform of the previous Labor government and we will not sit idly by while the coalition tears it down. In my electorate of Canberra I regularly meet with not-for-profit organisations. Before this life, I had my own business. The beauty of having my own business is that it allowed me the freedom and flexibility to be on a number of boards, both paid and voluntary.

I was on two not-for-profit boards as a voluntary director. The first was the Gift of Life board, which was designed to improve awareness about organ and tissue donation. I am a very strong advocate of organ and tissue donation. Since being in this parliament I have set up the Parliamentary Friends of Organ and Tissue Donation and at every opportunity have spoken about the need for Australians to improve the pretty ordinary record of donating their organs and tissues.

The other board I was on was the Wellness Board, which was brand new. We were the first group of voluntary directors on it. It was established by the ACT government to raise funds for the Canberra Hospital. There are a number of philanthropists both in Canberra and around Australia who have had wonderful experiences at the Canberra Hospital and who, before they passed on or when they got well, decided they wanted to donate some money to the hospital. As a result of having this pool of money in this Wellness foundation we decided that maybe there is a broader community interest in donating to the Canberra Hospital for its range of services—from paediatrics to gynaecology and a broad range of other services.

This not-for-profit group was established to go out to the broader community and raise funds for the Canberra Hospital. We did very well in our first year but I have to take my hat off to the current board, at the helm of Debbie Rolfe. She and her husband are very well-known figures here in Canberra. She has done an extraordinary job with that board of raising millions of dollars for the Canberra Hospital.

I have my own experience of being on charity not-for-profit organisations as a volunteer director so I enjoy any opportunity to go out to a not-for-profit organisation in Canberra. I have been actively involved with OzHarvest and the Yellow Van, which donate tens of thousands of meals every month to feed the less advantaged in our community. This is part of the Food Rescue program that has been rolled out right across Australia. It goes to supermarkets and restaurants and catering outfits—a broad range of organisations—to rescue food. This is saving a huge amount of infill and passes that food onto a broad range of groups.

I have been out on a number of trips to rescue the food and then drop it off. I have been to women's refuges where the value of a cupcake is extraordinary. It cheers up these women who have been through all sorts of domestic violence and brutal experiences. A little cupcake just makes their day. I have been to a number of high schools where the students get meals provided after they finish their day at school. Quite often, those kids go home to an empty pantry and no meal on the table, so it is vitally important that they go home to do their homework fuelled up with a bit of protein, some fruit and veg, and a healthy drink—something in their bellies. So, as I said, I have been to high schools, women's refuges and a broad range of groups across Canberra, including aged-care centres and centres for the homeless.

The food rescue program here in Canberra is quite extraordinary. The model been changed. Now people go to the Communities@Work centre at Tuggeranong. People go to what is like a little supermarket there. There is a great deal of dignity. People just pay a token amount of money for the food, and the organisations pay a token amount of money for the food, so that there is dignity in engaging in that assistance program. It is a token amount of money, it gives people a sense of dignity and it helps them out.

I have worked closely with mental health NGOs, such as Lifeline, assisting those at risk of suicide and depression, while also contributing to local community events through their annual book fair. I have stacked many a shelf at their annual book fair. Their book fairs are huge here in Canberra. They are held about three or four times a year. Whenever they hold the one at Erindale, I am there stacking books, categorising books and usually buying too many books as well in the process. It is a fair that raises a significant amount of money for Lifeline and it is very strongly supported by Canberrans, and I thank them for that.

I have also met with Indigenous not-for-profit groups, aged-care providers and many church-run organisations who look after the vulnerable. I am talking here about Marymead as well as the Brindabella Women's Group. There are so many organisations doing great work here in Canberra. As I have said many times, people see Canberra as being unidimensional. We are the seat of government, the seat of bureaucracy, the nation's capital, and that is about it, but we are much more than that. We are a community with a variety of different income levels and we do have significant pockets of disadvantage. I see them whenever I am out in the electorate. I have just recounted some of the areas of disadvantage in talking about the organisations that support them. There are a number of organisations for children, women, families and older Canberrans in need. There are a number of organisations out there supporting them.

The social benefits of not-for-profits are recognised by government support in the form of direct outlays and tax concessions. As a consequence, not-for-profits and other donors are influencing where community and government resources are directed. That is why it is essential that the not-for-profit sector is transparent and promotes public confidence. As we know—and as your experience, Deputy Speaker Goodenough, would show, as well as my own experience—this sector is huge. It is crucial that there is an independent national regulator such as the ACNC. The sector employs over one million Australians, turns over around \$100 billion, involves almost five million volunteers and is at the heart of all our communities. According to recent data from the Australian Bureau of Statistics, in 2012-13 the charity and not-for-profit sector contributed almost \$58 billion—that is, four per cent of all GDP—to the Australian economy. They are big numbers, no matter which way you cut them. And it is growing at a rate of about six per cent per year.

By requiring not-for-profits to report annually on their financial activities, the ACNC is reducing the risk of charity scammers. To date, the commission has registered 59,697 charities on its online register. It has also pursued legal action against four dodgy charities for ripping off donors, and it has revoked the charity status of more than 700 organisations for failing to report on their annual activity. The commission received 202 complaints in its first year, including 48 for fraud or criminal activity.

I would now like to read from a recent article in *The Guardian* which I believe highlights the exact reasons why the ACNC should not be abolished. It is headed 'Global fundraising company keeps \$7m of \$12.2m raised for Special Olympics' and says:

A global company that raises funds on behalf of some of Australia's largest charities will be investigated after it emerged that 96% of the \$12.2m it raised for Special Olympics Australia was not retained by the charity.

Since 2011, the Sydney-based Appco Group has implemented a gift voucher program on behalf of Special Olympics Australia, a charity that runs sports for people with intellectual disabilities.

A Guardian Australia investigation into Appco's conduct of the program, and its fundraising work for other charities, has found:

- Special Olympics Australia retained just 4% of the money raised from the gift vouchers

The article goes into further detail about other charities where significant amounts did not go to the actual charity. Later in the article it says:

In March, 54 major charities, including Save the Children, Lifeline and the RSPCA, wrote an open letter appealing to the government to spare the regulator, saying it had done "impressive work" towards efficiency and transparency in the industry.

I would now like to draw from some of the submissions these charities have made, pleading with the government to keep the ACNC. Submissions were made by not just charities but also organisations. A number of charitable organisations came out slamming the government's plan to axe the ACNC. In fact, the Senate Economics Legislation Committee conducted an inquiry into the ACNC repeal bill in June 2014. Of the 155 charities and other organisations that made a submission to that inquiry, over 80 per cent supported retaining the commission.

World Vision CEO, Tim Costello, said:

The commission is actually working for us and it gives the public confidence, it underpins the consumer benefit to charities.

The chief executive of the Community Council for Australia, David Crosbie, said:

The ACNC is more efficient than the government regulators it replaced, is doing good work and deserves a chance to achieve its three goals of reducing red tape, increasing public trust and strengthening the charities sector ... Axing the ACNC would be a very clear sign that government is not interested in the considered views of the charities sector.

The government claims that by abolishing the ACNC it is reducing red tape. Yet, according to evidence given at estimates in October this year, the ACNC saves Australian charities \$120 million a year by reducing compliance costs and red tape.

An independent study by Ernst & Young confirmed that the ACNC significantly reduced the reporting burden for charities, leaving them more time to focus on actually helping Australian communities—the job that they do best. The report noted: 'A core component of the Australian Charities and Not-for-profits Commission's reporting framework and efforts around reducing red tape is the "report once, use often" principle. This principle is consistent with recommendations issued by the Productivity Commission, the National Commission of Audit, the Australian National Audit Office, the Treasury and the Department of Finance.'

Aside from the fact that Australia needs a well-regulated charitable sector to prevent against charity scams, and in fact does not create extra regulatory burdens as I have just highlighted, this bill will lead to significant job losses. The government plans to return responsibility for regulating charities to the Australian Taxation Office, at the same time as it is sacking over 4,700 staff from this agency. I would like to know how the ATO is expected to take on responsibility for the ACNC when the ATO itself is losing staff in droves? How many staff will be redeployed to the ATO, if any?

Not only will people lose their jobs as a result of this bill, there has already been a high staff turnover as a result of the uncertainty the ACNC is facing. According to its annual report, the number of ongoing, full-time employees fell from 94 at 30 June 2013 to 63 by 30 June 2014. The Abbott government claims it is about creating jobs. Well, this is in clear contrast to that goal.

In concluding, the ACNC helps charities strengthen their transparency and accountability so the public can have confidence in the sector and the good work they do. This legislation is bad for the not-for-profit sector, it is bad for jobs, it is bad for Australia—and nobody is buying it.

Mr BUCHHOLZ (Wright—Government Whip) (19:17): With all greatest respect to the previous speaker, I say that in the final comments of her contribution,—and we do see many a commonality—that was the greatest lot of rubbish I have heard in recent times. I will systematically speak to each of the points.

Honourable members interjecting—

The DEPUTY SPEAKER (Mr Goodenough): Order!

Mr BUCHHOLZ: As you should keep good and fine order in this House, Mr Deputy Speaker. The bill we are debating is the Australian Charities and Not-for-profits Commission (Repeal) (No. 1) Bill 2014. Predominantly the bill seeks to repeal an act that was introduced by the previous Rudd-Gillard government. During the course of my contribution I will highlight reasons and, at every point, my name will appear in the *Hansard* opposing the introduction of this bill.

The reason I am so passionate about the repealing of this act is that, before coming to politics, I had quite a successful transport operation. The genesis of my transport business was that I started with one vehicle. My wife and I had one vehicle that ran between Rockhampton and Emerald, and I grew the business to a couple more trucks operating around Queensland. I was encouraged to apply for a sort of chamber of commerce regional award for business excellence, or whatever the award was. I nominated and I won the chamber of commerce award. I felt most humbled by the fact that I had been recognised by my peers in the community.

A dark hand appeared on my shoulder from nowhere and a voice said, 'You have made many millions of dollars from this community. What have you given back?' The hand was no other than that of the chairman of the local Lifeline Central Queensland branch. He said, 'It is now your time to give back to the community. As the chair, I am offering you a board position to get involved with Lifeline Queensland.' I said that I would be more than happy to make a contribution, but I am Catholic; I am not of the faith of Lifeline. He said, 'I'm not reaching out to you because I want your religious persuasion. I'm reaching out to you because I want your business excellence. I want you to come and influence our business.'

Most charities rely on the philanthropy of the community. They rely on good business management to run their businesses efficiently, and at the other end of the spectrum they rely on the outstanding contributions from trained counsellors and from those who are far more generous of their time than I ever believed I could ever be for the Lifeline family. There are a number of business elements to the Lifeline business.

I will make a long story short as I do not want to bore the House because I am aware that, at this time of the year, we are all in a festive mood. There are Christmas parties on, hosted by both sides of the House, celebrating the great work that is done by staff in this place.

The chairman said to me, 'You need to make a contribution to pay back the community which you have made money from,' and which I continue to do. Proudly, I can say that, during my three years as a Lifeline executive for

Central Queensland, I increased their business turnover by 318 per cent. Every cent of that money ended up back in that community. I am open about it; I am not your counsellor. I may have been gifted with a good business mind, but I am not the bloke you need to come to with a sad story because you will find little sympathy. There are others more confident in that area. I expanded my business interests from Central Queensland further south into the state. I opened and established another seven transport depots, employed probably another 50 men and bought a fleet of trucks.

The state board of Lifeline reached out and said, 'We could use your skills.' I accepted a position as a state board director of Lifeline and I systematically set about restructuring the entire governance procedures for the state of Queensland. Today, I am led to believe that those governance procedures still lead them to profitable outcomes each year—a mighty outcome.

It is because of that passion and because I gave those many hours freely, that I stand here and try to bring some type of efficiency back to the not-for-profit sector, because at every step of this debate I have opposed this. Listen to me closely. This bill was brought to this House under the principle that it was to reduce red tape. Guess how the Rudd-Gillard government was going to reduce red tape and reduce bureaucracy?

Mr Laming: By increasing it!

Mr BUCHHOLZ: The member for Bowman is dead right. They were going to create another level of bureaucracy. Now, you may think, 'How can this be? How could someone think, for one moment, that the best way to reduce red tape and bureaucracy is to create another layer?'

Let me talk you through the process of how this transpired. This was at a time when stimulus programs were being created by the Rudd-Gillard-Rudd governments. I am talking about programs such as the insulation program, where billions of dollars were spent to put insulation batts into ceilings of houses around Australia. They got halfway through that program. Unfortunately, Australian lives were lost. God bless those lives. Houses owned by families were burnt to the ground—decimated. Lives were destroyed. For the remainder of the program, the money was spent pulling the insulation out of those homes.

The logic was chaotic at the time the bill creating the ACNC was brought to the House; the nature of the process was somewhat dysfunctional.

Mr Brendan O'Connor: Just to speak to the bill!

Mr BUCHHOLZ: I am speaking directly to the bill and how dysfunctional the genesis of this was. Members on the other side of the House say, 'Speak to the bill.' I gladly go back to how poor the reasoning for the original bill was.

The extra layers of bureaucracy were brought about to create the ACNC. I remind the members on the opposite side of the House that the ACNC's core role was to go back to the states of Australia and to say to them, 'You need, as a state, to reduce the level of bureaucracy that you have. You need to reduce the levels of bureaucracy that you have in the states so that we can provide a dividend. That is our mantra. That is our charter.' That was the primary reason this organisation was established. You should never forget the reasons this was brought to the House. It was poorly thought out. It was poorly executed.

I will proudly stand here defending every volunteer in Australia who gives their time freely, whether it be at a surf lifesaving club, a rural fire brigade, Lifeline, or any other charity in Australia. This is a blight on their collective activities in trying to make Australia a better place. I believe that activities in the Year of the Volunteer, last year or the year before, showed that collectively the value of our volunteers around Australia—for the energies that they provide at local, state and federal government levels—is somewhere in the vicinity of \$15 billion a year, calculated on the basis of what it would cost if we were to pay those beautiful volunteers who give their time on so many fronts.

Before we took office we said that we would oppose this. The government's position on this should come as no shock to anyone. I spoke in this House and opposed the original legislation when the then government, Labor, decided that the best way to get rid of bureaucracy was to create another level of bureaucracy. From a commercial perspective that was bizarre. It was bizarre then and it is equally perplexing to this day.

Mr Frydenberg: Twenty-one thousand new regulations! The red-tape tsars!

Mr BUCHHOLZ: Yes. It is bizarre and perplexing. I want to leave some time for the member for Bowman. Did you want to speak?

Mr Brendan O'Connor: What are you, the Speaker of the House? Just sit down or stand up!

Mr BUCHHOLZ: I can understand the frustration that would come from the other side of the House, because this is not your finest hour. As an opposition this is not your finest hour—bringing to the House your perplexing

logic. So many times, from an economic perspective, the coalition is brought to office for one particular reason, and that is to fix the economic mess—to fix the mess that has been left by logic which is sometimes questionable.

I will leave you with those comments. As they put their heads on their pillows tonight, every volunteer who gives time for a charity group in Australia can rest easy knowing that a coalition government—who gave a commitment before the election—will very much look after their interests and make sure that there is an efficient work place. I would now like to commend this bill to the House, and I encourage those that have a little bit of time for our volunteers to commend this bill to the House.

The SPEAKER: Thirty seconds goes to the member for Bowman.

Mr LAMING (Bowman) (19:29): Thank you very much. Honestly, this is a Labor government that never saw a bungle they could not aggravate, never saw a charity they could not regulate, never saw a roof they could not insulate, and never saw a hand they could not fill with someone else's money. They have done so much damage. I am glad to see this commission is gone with this legislation. (*Time expired*)

The SPEAKER: I have to interrupt, Member.

ADJOURNMENT

The SPEAKER (19:30): It being 7.30 pm, I propose the question:
That the House do now adjourn.

Eureka Stockade

Ms KING (Ballarat) (19:30): On this, the 160th anniversary of the Eureka Stockade, it is a pleasure to speak in this adjournment debate. 'It is the inalienable right of every citizen to have a voice in making the laws he is called upon to obey, [and] taxation without representation is tyranny.' So began the call of ten thousand Australians for self-determination, one weekend in November 1854. It was the first solid step towards Australian democracy, and the beginnings of a cherished national identity.

The goldfields of 19th century Ballarat were a colourful and varied place. The call of gold had brought the hopeful from across the globe, drawing together such a number of cultures and nations as to make what happened there all the more remarkable. The 10,000 bound themselves under the oath of the Southern Cross to each other, determined that any rights available to one would be reflected upon the others. The charter says: 'It is not the wish of the League to effect an immediate separation of this colony from the parent country, if equal laws and equal rights are dealt out to the whole community ...' Less than one month later, on 3 December, this stockade, made of miners, immigrants, men and women, stood together under the flag of the Southern Cross where they were attacked. It took only twenty minutes for troopers to reach the flag and tear it down, leaving 22 diggers dead, along with five troopers. The charter reads: 'We swear by the Southern Cross to stand truly by each other and fight to defend our rights and liberties.'

It was not the end for the Ballarat Reform League. Their struggle for basic human rights and their fight to be free of unjust, uncaring tyranny sparked changes that led to freedoms for all Australians—freedoms we now hold dear, and ideas like the right to a fair go, of personal liberty and a national identity forged around mateship. The charter reads: '... the Reform League will endeavour to supersede such Royal prerogative by asserting that ... the people are the only legitimate source of all political power.'

This significant moment in Australian history is all the more powerful for its selfless reach and universal application. The crowd at Eureka was fuelled by anger, disappointment and fear, and yet their struggle birthed a charter determined to reshape a more equal society for all. The fundamental tenets of the charter called for full and fair representation; suffrage for all men—women would, of course, come later; the eligibility of nonlandowners to hold office; the payment of members of parliament; and a short parliamentary duration. Not only that, the charter itself presents the first serious call for the freedom of the press in Australia's history, making it the first time a real platform for an Australian democracy was laid out.

Today has seen my home town of Ballarat come together to celebrate the anniversary of Eureka, and I am so proud to be able to speak on behalf of the people of Ballarat. Sovereign Hill held its light and sound show, 'Blood on the Southern Cross', in commemoration this morning. A memorial service at the Museum of Australian Democracy at Eureka saw the raising of a flag hand-stitched by Eureka Stockade descendants, as well as fine speeches by the Hon. Steve Bracks; Mayor of the City of Ballarat John Phillips; and MADE Chairman Kaaren Koomen.

Yet, as a nation, we may be letting the Eureka spirit fade. The anniversary of the stockade is not a date well known by children around the country. It is not even an annual fixture in the schools of Victoria, the site of the gold rush that energised this country for more than 50 years.