



Chair Report

Rev Tim Costello

For the period 1 Jan 2018 – 31 Dec 2018

A quick glance through the brief overview of CCA activities in 2018 outlined in this report underlines how important CCA has become for the Australian charities sector.

Sometimes we take it for granted that if there is something that is wrong, an inappropriate practice or imposition that is reducing the capacity of charities to fulfil their important mission, someone somewhere will notice, speak out on our behalf, ensure the injustice is highlighted, and the issue taken up.

Unfortunately, when it comes to charities, relying on the good will of others is not always a good strategy.

While politicians and commentators often regularly praise the work of charities and talk in glowing terms of their contribution to society, there is also a form of condescendence to a group that is outside the mainstream of business and government. Some still see charities as groups of do-gooders armed with social and environmental band-aids.

The fact that the charities sector employs over 1.3 million people, involves over 3 million volunteers and turns over around \$150 billion each year is rarely acknowledged. Charities are still seen very much as the third sector, behind government, behind business.

CCA has been working to address the lack of charity involvement in national policy discussions for almost ten years. Some good progress has been made, but 2018 again highlighted how far we still have to go.

There are still those in government who would restrict the public advocacy of charities to reduce potential criticism of their policies and practices. There are powerful vested interests in areas like mining, gambling, alcohol and tobacco, pharmaceuticals, etc. who see charities as a hand-brake to their goal of maximising profit. There are some in the public service who take a paternalistic view of the charities they rely on to deliver services and build stronger communities.

This dismissive view of charities was clearly on display in the discussions around three Bills that CCA was actively involved in challenging over the last 12 months: the Electoral Funding and Disclosure Reform Bills, the Foreign Influence Transparency Scheme Bill and the proposed reforms to Deductible Gift Recipient status.

In all three cases CCA not only prepared submissions and highlighted concerns to the sector, but also appeared before Senate and Parliamentary Committees to forcibly make the case for charities to be able to pursue their charitable purpose with minimal new impositions and restrictions on their activities. It took a concerted effort over many months from CCA and many others for all of these Bills to be resolved in a way that had minimal negative impact on the charities sector. This work is really about charities rewriting their place in national policy.

This kind of policy activity reflects the way CCA has acted throughout its relatively short history. CCA has established a reputation for presenting well-reasoned arguments about the role of charities, the importance of public advocacy and the need to increase capacity and reduce counter-productive impositions and regulations.

The list of CCA activities achieved by CCA in 2018 not only extends the reputation of CCA, but is also a testimony to the commitment of a very dedicated group of people. The effectiveness of CCA is grounded in a collaboration of many organisations, some as members and some that support our work in other ways. I want to mention just a handful of our partners.

I want to start by again acknowledging the contribution of Karen Mahlab not just to CCA but to the whole charities sector. Without a shared information hub, the capacity of the sector to exercise collective action would be limited. It is especially pleasing the way *Pro Bono News* works with CCA to advance national policy issues that may otherwise attract minimal attention.

Similarly, I think the sector is very well served by *Our Community* who have again offered great support to CCA in 2018. *Origin Foundation* supported our work advancing the education component of our *Australia We Want* report and follow-up forums. *Life Without Barriers* underwrote our work around Impact Investing, providing the funding to enable workshops with charity CEOs across Australia and the production of a summative report.

PwC continued to support CCA, providing in-kind support for CEO forums and other events. Groups including; *Philanthropy Australia*, *Volunteering Australia*, *Social Ventures Australia*, *ACFID*, *ACOSS*, the *Centre for Social Impact*, *Justice Connect*, and others have all given generously in working with and supporting the work of CCA.

While all these partnerships are invaluable, the most important acknowledgement I offer each year in my annual report on the work of CCA is to the members of CCA, who not only support our work, but also fund our work.

CCA is a sector led organisation, set up by the sector, run by people from the sector, funded by people from the sector, working to strengthen organisations across the sector. It is genuinely independent of government, and through exercising that independent voice, it has become a touchstone for policies relating to charities and not-for-profit organisations across Australia.

The contributions of the sector through membership fees have enabled CCA to employ a very capable staff team who make up for their lack of numbers by not only working very hard, but also drawing on internal and external expertise to operate in a very strategic way. While David Crosbie the CEO is the front person, Deborah Smith is the backbone of CCA. Deborah works well beyond what most employees do, for less than most employees and delivers a great deal more than most employees. She would argue it is because she believes in the work of CCA. David Crosbie again showed the extent of his experience, courage and persistence - characteristics that enable CCA to punch well above its weight.

I also want to acknowledge my fellow Board Directors. It has been noted elsewhere, but CCA Board Meetings are actually enjoyable exchanges with well informed and extremely capable leaders from across the charities sector all working towards shared goals. I look forward to working with them in facing new challenges throughout 2019.

Everyone in this room has made an important contribution to the success of CCA as an organisation. You should feel proud of your role in enabling CCA to continue its invaluable work. As we enter the post-election period of the political cycle, it will be more important than ever to continue to support one another through our collective work with CCA. A stronger CCA has never been more important to our sector. I look forward to working with you all in 2019. Thank you.



Tim Costello, Chair of the Community Council for Australia



CEO Report - David Crosbie

For the period 1 Jan 2018 – 31 Dec 2018

In 2018 the level of change within the government had a negative impact on many charities. Changing Government Ministers, changing priorities, changing funding arrangements all contributed to a real sense of uncertainty. This uncertainty was compounded by policies and poorly drafted Bills that would have had a significant negative impact on many charities, especially those seeking to highlight issues of concern within their communities.

At CCA, 2018 was quite a demanding year. There were so many issues, and CCA often had to react quickly to emerging concerns. There was not as much time as we would have liked to invest in consolidation and working pro-actively with the sector. Yet, looking back now, it becomes clear that the reactionary work of CCA was invaluable in protecting the public advocacy of charities and pushing back against changes that would have created new layers of regulatory imposts.

Like Tim, I think the listing of activities in this report is testimony to the strength of CCA, not just the staff and the Board, but the idea of CCA as a sector collaboration working to support charities and strengthen our communities.

Behind all the listed activities, there is often a high level of shared information and work by people within and outside of CCA.

One of the highlights of 2018 for me was a breakfast meeting involving CCA, Philanthropy Australia, Pro Bono Australia, Our Community, Impact Investing Australia, Australian Scholarships Foundation, Volunteering Australia, the Centre for Social Impact, Justice Connect and the Community Broadcasting Association of Australia. All these groups came together in a meeting hosted by CCA to look at how we could collectively have a more positive impact across the charities sector. The meeting focused on shared agendas, the kinds of measures we could all support and contribute to. In acknowledging our own strengths and weaknesses as organisations, we started to build a strong collaboration focused mainly on enhancing sector capacity and effectiveness. Just as importantly, we offered support and encouragement to each other.

This collaboration around sector enhancement mirrored the kind of collaboration represented in the Hands Off Our Charities collaboration. It also reflected the collaborations between charities, shareholder activist groups and consumers that are showing how we can effectively push back against companies and others undermining our communities and our environment.

Now more than ever, these forms of collaborative effort are going to be the way forward.

I always enjoy meeting and working with leaders across the charities sector, so another highlight for me in 2018 was the Life Without Barriers sponsored Impact Investing CEO Forums held around Australia with over 70 leaders of charities and interested groups. Even though it takes more time and resources, wherever we can ground our policies and practices in the experiences of the sector we know it makes our policy advocacy so much stronger.

There is so much more I could say about our work in 2018, but I encourage people to review our list of activities. I would enjoy an opportunity to discuss any of the listed activities in more detail.

Like Tim, I do want to take what is an unusual opportunity to public acknowledge and thank some people and organisations that have enabled CCA to continue throughout 2018.

Our members not only fund us, but also provide invaluable input to our submissions and policy formation. The strength of CCA is fundamentally the strength of our members and I thank them all for their support and engagement. The more members and the more engagement, the stronger CCA becomes. In 2019 I believe building our membership base will become a higher priority.

We have a number of important partners that work with us who Tim has already thanked; Pro Bono Australia, PwC, Origin Foundation, Life Without Barriers, Our Community, ACFID, and others – I want to add my appreciation and acknowledgement of their support for CCA.

I also want to echo Tim's praise for Deborah Smith – the heart and soul of CCA – for all she does. Deb does an incredible amount, but what is even more important is Deb's unshakeable belief in CCA, what we stand for and what we are achieving. You cannot buy that kind of support.

Tim again acknowledged our Board and I share that acknowledgment. I am very fortunate in being able to work with such outstanding charity leaders who are so generous in their support of CCA. I must, of course, acknowledge the role of Tim as Chair. Tim is obviously a very busy man, and many of our conversations are well outside of business hours, but Tim is also a very courageous leader who has never taken a backward step when we need his strong and clear leadership on any number of issues, both publicly and privately. As I have noted before, CCA would not be anywhere near as effective without Tim's very active engagement.

Finally, I wanted to end by saying how important it is for an organisation like CCA to not only exist, but also do well.

I look forward to working with you again over the coming year – we will again have a lot to do and we will need your support. Thank you.

A handwritten signature in black ink, appearing to read 'D. Crosbie', written in a cursive style.

David Crosbie, Chief Executive Officer



Snapshot of CCA Activities in 2018

Below is a listing of the key activities CCA undertook in 2018 as part of its charter to build flourishing communities by enhancing the extraordinary work of Australia's not-for-profit sector.

Advocacy was pursued through policy submissions, giving evidence before parliamentary committees, through parliamentary processes such as Senate Estimates, and via meetings with parliamentarians and their advisers, senior bureaucrats and key stakeholders. CCA maintains a high media profile, providing 'go to' analysis and commentary on sector issues through all forms of media.

CCA Advocacy - Key issues pursued

- Advocacy, and the value charities bring to national policy discussion and development. Protecting the capacity and the legislated right and role of charities to advocate for the communities they serve.
- Addressing the power imbalance in political influence that currently favours powerful vested interests shaping policy towards their own economic self-interest.
- Future direction of the Australian Charities and Not-for-profits Commission, and the critical need for transparent, merit-based appointment processes for the ACNC Commissioner and Advisory Board.
- Support for the ACNC to ensure an independent and effective process in determining charitable status, building public confidence in the sector and driving government red tape reduction.
- DGR reform to broaden and simplify access to DGR for registered charities, and to ensure DGR assessment is tied to purpose, not activity – and is not used as a vehicle to restrict or inhibit advocacy.
- Fundraising and the need to harmonise regulations across all jurisdictions – with amendments to Australian Consumer Law providing a logical vehicle.
- Reducing red tape and compliance costs, and fighting any proposed new red tape burdens.
- The need to boost social impact and productivity by improving the way government works with the sector, including by increasing certainty in government funding and reforming tendering and contracting processes.
- Ensuring the Not-for-profit sector is acknowledged, respected and more involved in critical national economic and social policy discussions. This includes recognition of the contribution of the sector in social and economic terms, and the need for: a federal minister dedicated to sector issues; and for Government to work with the sector to develop a future blueprint for the sector.
- Social finance and impact investing to expand capital options available to the sector.
- Increasing philanthropy, including via 'opt out' systems of workplace giving.
- Improving collaboration to increase social impact.

Policy Submissions (selected)

CCA Federal Budget Submission: outlines nine measures to significantly strengthen Australia's not-for-profit sector and drive real economic savings for government over the coming financial year and beyond. CCA says Australia cannot afford to ignore growing levels of debt, increased inequality and the need to support flourishing communities as a basis for improved productivity and well-being.

Submission to the Review of Australian Charities and Not-for-profits Commission legislation calls for building upon the foundation and achievements of the ACNC in its first five years and the continuation of the strong working relationship the ACNC has established with the sector. Recommendations include review of the secrecy provisions to allow the ACNC to share more information on enforcement activity and the outcome of investigations; work to see the ACNC Charities Passport adopted more widely across governments and other regulatory bodies; carefully staged application of the Australian Consumer Law to fundraising activity; a transparent and merit-based process for the appointment of the Commissioner and Advisory Board and enhancements to the role of the Advisory Board; and a response to the ACNC's own submission. CCA also endorsed the [supplementary submission](#) provided by Justice Connect addressing fundraising regulation.

Submission and Supplementary Submission to the Joint Standing Committee on Electoral Matters (JCEM), Inquiry into Electoral Legislation Amendment (Electoral Funding and Disclosure Reform) Bill 2017

Submission and Supplementary Submission to the Parliamentary Joint Committee on Intelligence and Security (PJCIS), Foreign Influence Transparency Scheme

In submissions and evidence to JCEM and PJCIS, CCA said charities are already well-regulated, are already prohibited from partisan political activity, should not be drowned in new reams of red tape, and charities role and contribution to public policy debate should be facilitated not hindered. CCA was also a signatory to the #HandsOffOurCharities [Open Letter to Parliamentarians](#) about electoral reform and foreign influence legislation. Tabled by Centre Alliance Senator Rex Patrick.

Supplementary Submission to the Senate Select Committee on the Political Influence of Donations. In our submission and in evidence to the Committee, CCA argued that political influence in Australia is skewed toward well-resourced vested interests seeking economic gain, with much of that influence wielded outside of political donation and disclosure regimes. Charities contribute to national policy from a place of relative disadvantage and are already well regulated in relation to what they can and cannot do in regard to exerting political influence.

Submission to the Senate Select Committee on Charity Fundraising in the 21st Century. CCA's submission and evidence to the Committee implored the Senate Committee to take action that will benefit our charities and our communities long into the future. The concerns of charities have been repeatedly dismissed, our issues have been largely ignored, and we continue to waste substantial time, energy and resources complying with a useless set of regulations.

Other submissions included:

[Submission to Treasury, Deductible Gift Recipient \(DGR\) Reforms](#)

[Submission to the Independent Review of the Australian Public Service](#)

[Submission on the Draft Open Government National Action Plan 2018-2020](#)

[Submission to Treasury, Australian Charities External Conduct Standards](#)

CCA Projects

- CCA Electoral Reform Roundtable, Parliament House: Danielle Wood, co-author of Grattan Institute's report, *Who's in the room? Access and influence in Australian politics* discussed findings and recommendations with CCA members and parliamentarians. This discussion informed [CCA's in-principle policy positions](#).

In the lead up to the roundtable, CCA undertook 20 radio interviews and a live Sky News interview on the need to improve transparency to strengthen the influence of community and public interest in political decision-making.

- CEO forums on Impact Investing with Life Without Barriers and partners including Social Ventures Australia, Social Outcomes, Koda Capital, NAB and PwC Australia. Sydney, 13 March; Melbourne, 19 March; Brisbane, 20 March; Adelaide, 11 April; Canberra, 4 May
- #Fixfundraising campaign in partnership with Justice Connect
- Sector Development meeting with Philanthropy Australia, Volunteering Australia, Justice Connect, CBAA, Pro Bono Australia, Our Community, Australian Scholarships Fund, Impact Investing Australia and CSI.
- Development of the *It Takes a Village – Education is everyone's business* campaign – the first solutions campaign responding to the Australia we want
- Research and drafting of the *Australia we want – Second Report* in partnership with Centre for Social Impact.
- CEO Forums, Melbourne, 31 October; Sydney, 2 November
- CCA 2018 AGM and member discussion with parliamentarians at Parliament House, 24 May

Advisory Groups and Presentations (selected)

- #FixFundraising Coalition
- #HandsOffOurCharities Coalition
- Impact Investing Australia Advisory Board
- Australian Scholarships Fund Advisory Board
- PlusOne Advisory Board

CCA gave evidence before parliamentary committees, participated in high level roundtables (such as with the Attorney General's Office in Sydney with the staff who framed the Foreign Influence Transparency Bill; the ACCC on consumer law and fundraising) and presented at more than 15 major conferences and events including Measuring Social Outcomes, In conversation with Robert Fitzgerald, Non Profit Alliance Leadership Forum, Third Sector Live, National Lifelong Learning Conference, and member and partner Board sessions.

Media, Communications

CCA media activity is ongoing and extensive. CEO, David Crosbie and Chair, Tim Costello, contribute commentary and analysis across Australia at national and regional levels via radio, print, online and television. Outlets who cover CCA issues include Pro Bono News, The Guardian, Sky News, ABC, The Australian, The Age, Sydney Morning Herald, Canberra Times, Daily Telegraph and other News Limited and regional publications, and a wide range of local media organisations.

CCA - Selected Media Commentary - 2018

ACNC

CCA stays abreast of the change in leadership direction, tone and practice at the ACNC:

ACNC regulation proposal met with concern from charities sector	RN Breakfast	25 Jan
‘Bizarre overreach’: charities fear regulator wants to control their spending	The Guardian	24 Jan
ACNC’s Review submission met with concern from the charities sector	Pro Bono News	23 Jan
Charity Sector Welcomes Release of the ACNC Review	Pro Bono News	23 Aug
ACNC Head Defends Decision to Go it Alone in the Senate CCA says: ‘Three times a year the ACNC answers to the Parliament for its performance through Senate Estimates. The suggestion that the ACNC should not present to the Parliament with the best expertise available in order to save travel costs is clearly absurd.’	Pro Bono News	1 Jun

Electoral Reform, Advocacy, Foreign Donations

CCA worked with the #HandsOffOurCharities coalition to ensure electoral reform and legislation to address foreign influence did not stifle the advocacy voices of charities and impose a new burden of red tape. Over 60 media pieces complemented the many meetings with parliamentarians, events at Parliament House, submissions and evidence before parliamentary committees. A sampling of commentary from CCA:

Charities fear donations bill a muzzle The Government’s proposed legislation will ‘force every charity in the country to think about the implications of saying anything that might be construed an election issue, whether it be housing, health or education.’	The Australian	11 Jan
Calls for Charities to be exempt from Foreign Influence Transparency Scheme	Pro Bono News	31 Jan
CCA: Why advocacy is a must for Not-for-profits	Our Community Matters	Feb
Tim Costello tells Sky News that charities are already well regulated – these laws go way beyond that to gag us, to silence us. This is massive overreach and gagging.	Sky News	31 Jan
Charities Remain Concerned at Foreign Donations Bill	Pro Bono News	10 Apr
Ordinary citizen or foreign agent? Mundane activities fall under Coalition’s anti-interference laws	ABC News	14 Mar
New AEC Guidelines Leave Charities Confused and Uncertain	Pro Bono News	31 May
Charity Sector Speaks Out Against FITS Bill	Pro Bono News	19 Jun
Charities warn foreign register could harm development work CCA says that we are disappointed that it seems neither the government nor the ALP are prepared to offer charities the same kinds of exemptions they’re offering industry bodies and business groups.	The Guardian	22 Jun
Badly drafted foreign agent laws will snare charities , Opinion Piece by David Crosbie	SMH	25 Jun

Foreign influence bill pushed ahead CCA says FITS Bill is still set to entangle and impede legitimate charities' work. There should be a clear statement that 'charities engaged in their charitable purpose in Australia should not have to register.'	The Saturday Paper	23 Jun
FITS Exemption a 'Victory for Common Sense' CCA says, 'It was a "very important win for the charities sector". Given that the vast majority of charities already make their international collaborations well known and every charity above \$250,000 has to provide their financial accounts to the ACNC on the public record (audited for charities > \$1 million turnover).	Pro Bono News	25 Ju
Foreign Donation Bill Changes a Win for Charities CCA said the amended version of the bill would have minimal impact on the vast majority of charities.	Pro Bono News	21 Sep

DGR Reform and other issues

Sector Welcomes 'Sensible' DGR Reforms	Pro Bono News	6 Dec
Government Confirms New Resources for ACNC to Police DGR CCA has no objections to streamlining of DGR and moving most DGR organisations under the umbrella of the ACNC. Should the additional ACNC audits be politically directed at advocacy groups or a segment of the charities sector (as happened in Canada), CCA would be very concerned. The principle is fine, how it is applied will be watched to ensure it is not an exercise in the politicisation of the ACNC.	Pro Bono News	18 Dec
Productivity Commission Calls to Put People at the Heart of Human Services CCA said that the report is focused very clearly on government reform and that CCA is supportive of most of the recommendations. The real issue is whether government is prepared to make the changes required to provide better services.	Pro Bono News	27 Mar
Charity Sector Looks to Improve Complaint Handling	Pro Bono News	24 Apr
Accounting trick frames reef grant CCA highlights the contrast between the 'ludicrous' \$444m surprise grant to the Great Barrier Reef Foundation and the "creeping micromanagement" and inordinately complex due diligence processes that accompany most grant and tender processes.	The Saturday Paper	18 Aug
'No justice': Huge Reef Foundation grant stuns charity sector	SMH	19 Aug
New Overseas Standards to Protect Australian Charities from Criminal Misuse CCA says, 'On the surface the proposed new conduct rules do not appear to be a major challenge - The key issue will be the increased compliance burden – how much extra administrative and reporting work is required to comply with the new rules – and the way incidental activities overseas are defined.'	Pro Bono News	14 Aug
Zed Seselja Appointed New Minister for Charities CCA looks forward to working with the new Minister to strengthen role of charities and the broader civil society	Pro Bono News	4 Sep

Pro Bono News – Opinion Pieces by David Crosbie

David writes fortnightly for Pro Bono News on issues affecting and relevant to the charities and NFP sector and our work with our communities. A selection from 2018:

[Compassion – A Radical Response?](#), 6 December, David writes that compassion is becoming a radical response - and one we desperately need if we are to create the kind of Australia we want to live in.

[Hyper-Partisan Politics, the Public Service and Charities](#), 8 November - Hyper-partisan politics is ramping up the pressure on charities. Giving in may provide some short-term wins, but sacrificing independence and authenticity will extract a higher price in the longer term.

[Who Wants to Commodify Charities?](#) 25 October - The core role of the charities regulator should not be diminished by ill-informed attempts to develop a nebulous marketplace for which there are few, if any, customers.

[Charities Fight Truth Decay](#), 11 October - It is not always high-profile public advocacy that is important, fighting truth decay is a critical role for all charities.

[National Policy for Sale?](#) 27 September - As long as the richest and most powerful have the greatest influence over national policy, the interests of our communities will be poorly reflected in many areas of national policy making.

[The Inequality at the Heart of Our Politics](#), 30 August - If we are to reduce the level of entrenched disadvantage in Australia, we need to change priorities within government, and confront the fundamental inequality that places the voices of communities, charities and broader civil society at the bottom of the political influence pile.

[Not Waiting for Lightning to Strike Twice](#), 16 August - For the Department of the Environment and Energy to grant over \$440 million to a small charity that didn't even prepare an application form or ask for the grant is inconceivable.

[Reforming or Redecorating?](#) 2 August - Public service reform in Australia seems like a constantly moving weather front, lots of clouds, the occasional flash of lightning or thunder, but bringing no rain and little change in temperature.

[It Is All About the Purpose, Not the Activity](#), 19 July - When it comes to investigating the Catholic Education Melbourne, nothing seen in the last few days suggests the ACNC is doing anything other than what a good regulator should do.

[Electoral Reform – In Whose Interest?](#) 7 June - The government approach to electoral reform is not about good policy or real reform, it is about maintaining and extending political advantage.

[It's Not Just The Economy – Stupid!](#) 24 May - In the wake of the New Zealand federal budget David Crosbie imagines an Australia where governments also set targets that relate to the kind of Australia we want to live in.

[1938, Foreign Agents and Government Paranoia](#), 27 March: A look at how charities serving our communities are about to be hamstrung by paranoia and legislation that misses its mark. Surely a clever outward looking Australia can do better than copying ineffective legislation from the 30s and 60s?

[Diversifying Income – But Not Alone](#), 1 March - There are new income options that might be worth exploring by charities.

[It's All About the Evidence](#), 1 February - Extract from CCA's opening statement before the Parliamentary Joint Committee on Intelligence and Security, and why CCA is concerned the proposed legislation could impose new administrative and compliance requirements on charities.

[Passive or Active – The Challenge for 2018](#), 18 January - We should never underestimate the importance of collective voices. A challenge for charities to be more active in 2018.