

Submission: Charities Commission Bill

Child Poverty Action Group, Inc.

June 2004

The Child Poverty Action Group is a voluntary gathering of professional, academic and interested members of the public who come together around a concern about issues facing children, particularly in the area of child poverty. The group has been in existence since 1994 and has published a range of work relevant to issues of child poverty including "Our Children -- A Policy For Priority" (two editions) and "Room For Improvement" as well as a host of other backgrounders and research reports.

One of the major areas of activity for the group is around advocacy in relation to children and child poverty. That advocacy has been important in both placing the issue of child poverty on the political agenda and in contributing to the debates which led to the budgetary measures this year which were partially aimed at reducing levels of child poverty.

It is in this context and with this background that Child Poverty Action Group raises serious concerns about the definition of "charity" which will shape the work of the proposed commission. Given that it is to take the definition currently used in the work of the Inland Revenue Department, we would argue that the proposed definition is too narrow with its emphasis on the of relief of poverty, advancement of education, advancement of religion or any other beneficial matter. This definition can easily be interpreted to exclude advocacy work and in such circumstances groups such as Child Poverty Action (and a host of other social service and community groups) would not be able to register, with the disadvantages that this would bring in relation to capacity to raise funds. Ironically, it is possible that if this definition existed Child Poverty Action would not have been able to obtain some of the resources which had supported the research and promotional work which has undertaken since its inception

We therefore recommend that the definition of "charity" be extended to make it absolutely clear that advocacy is a legitimate and appropriate part of the work of charities. Clause 13 should be amended accordingly.

The second issue which we wish to raise is the compliance costs associated with registration as a charity. Like many other groups to whom the operation of the commission may apply, Child Poverty Action operates entirely on a voluntary basis and with a very small budget. Registration and compliance and other requirements associated with registration would have an important impact on this budget. Furthermore, the requirement that charities met some of the costs of running the Commission is an unfair burden and has a harmful impact on the limited resources available. Any costs falling on charities must be absolutely minimal and if the government is expecting charities to met compliance requirements then it seems only reasonable that government should also meet most of the associated costs.

We note that the commission seems to be established almost entirely on the basis of regulation, monitoring and compliance, with no attention given to ways in which it

might take a more proactive role to advance the work of charities and of the voluntary and community sector. It would be entirely appropriate, and particularly constructive in a context where there is increasing emphasis on inclusiveness and the development of community organisations and of civil society, for the Commission to be expected to provide assistance, advice and support for the sector. We would recommend that the purposes of the Commission in section 10 be amended accordingly.