



Australia's Charities and Not-for-profits

Written Submission

The Options Paper, Australia's Charities and Not-for-profits sets out proposed replacement arrangements for charities in Australia. The paper outlines policy directions proposed by the Government to introduce effective replacement arrangements that reduce the burden of regulation on the civil society sector.

The paper is being released to seek feedback from charities and interested parties on the proposed replacement options. Comments and feedback will inform development of the replacement arrangements. A summary of written submissions will be provided on the Department's website in September 2014.

Please use this submission template to provide your feedback on the proposed replacement arrangements for charities in Australia.

Completed submissions are to be sent by 20 August 2014 to:

consultationwithcharities@dss.gov.au (preferred method) OR

Civil Society and Programme Delivery Policy Branch

Department of Social Services PO BOX 7576

Canberra Business Centre, ACT 2610

Submissions received after 20 August may not be considered.

Unless otherwise stated, the information and feedback you provide may be used for publishing purposes. Please state if you do not wish for your comments to be published.

Instructions for completing the Submission Template

- Download and save a copy of the template to your computer.
- Refer to the *Options Paper, Australia's Charities and Not-for-profits* for context and discussion questions.
- You do not need to respond to all of the questions.
- Please keep your answers relevant to the topic being addressed, we ask that submissions be limited to two pages.

Name (first and surname):

If submitting on behalf of a company or organisation

Name of organisation: Activ Foundation Incorporated

Stakeholder category (e.g. service provider, client, peak body, academic): Service Provider

State/Territory: WA

Contact email address:

**Response to Options Paper:
Questions for discussion - Self Reporting**

- Do you believe that these proposed requirements will be less time consuming than current requirements?

The current arrangements have not been in place for long enough to evaluate this. Presuming that “financial reports” refers to audited financials and that government funding information remains at a whole of organisation level, the proposed framework would be simpler than the ACNC AIS.

- What changes would your organisation need to make to meet the new requirements?

None, our Annual report covers all of the information required.

- Do you foresee any impediments to charities complying with these requirements?

Smaller organisations may not have websites. Their financial reporting may be very simple and not of sufficient detail to provide the information required.

- Do you believe these requirements will provide transparency? If not, what changes would you make?

It is unclear whether this is proposed as a mandatory or voluntary measure. It is also not clear who will monitor whether such information is provided, and if it is provided whether it is accurate. This lack of clarity detracts from the potential transparency of all organisations providing consistent information which is easily compared.

Questions for discussion – Administrative Options

- Which of these options do you believe best guarantees the independence of the decision making process?

Both could deliver independence dependant on final authority and decision making powers.

- Are there any other considerations that should be taken into account when these functions are undertaken?

Key issues with the current system are:

- Consistency of decision making
- Timeliness of the decision making process
- Knowledge of staff dealing with applications and then appeals

Questions for Discussion – Compliance Framework

- Are there any reasons why this approach may not work?

Existing State and Territory powers should be sufficient to ensure compliance, as they have been in the past.

- Do you foresee any risks in this approach?

What is not clear from the consultation paper is what "focusing on areas of high risk" means and who will determine this in the absence of a national body. There is a significant risk of inconsistent application of a risk based approach across States and territories.

Questions for discussion – Transitional Arrangements

- What other transitional arrangements might be required?

A possible additional provision is guidance for organisations who sought a change in legal structure in response to change, who may now wish to revert to association status

- Are there things the Department could undertake to assist charities with this transition?

Clear communication of timelines for the ceasing of existing ACNC reporting requirements and the requirement to implement new systems

- What factors should be considered in relation to the timing of the new arrangements?

Many organisations, particularly smaller NFPs and charities may need extended time and support to make information appropriate and accessible, this should be incorporated into timelines.