

15 February 2013

Manager  
Philanthropy and Exemptions Unit  
Indirect, Philanthropy and Resource Tax Division  
Australian Treasury  
Langton Crescent  
PARKES ACT 2600

Dear Sir/Madam,

### **Governance Standards for the Not-for-Profit Sector**

The Consumers Health Forum of Australia (CHF) welcomes the opportunity to comment on the Australian Treasury's *Australian Charities and Not-for-Profits Commission (ACNC) Financial Reporting Requirements* (the Requirements) and the *Governance Standards for the Not-for-Profit Sector* (the Standards).

CHF is the national peak body representing the interests of Australian healthcare consumers. CHF works to achieve safe, quality, timely healthcare for all Australians, supported by accessible health information and systems.

CHF is a not-for-profit (NFP) organisation, as are many of our members, and we therefore have a strong interest in NFP sector reform. Many CHF members are also registered charities, and CHF is a signatory to the National Compact between the Australian Government and the NFP sector.

Overall, CHF welcomes the Requirements and the Standards. We welcome provisions in the Standards that allow for greater flexibility for charities and NFP organisations, and we strongly support the proposed approach to reporting.

CHF notes that the Standards propose that charities registered with the ACNC will take responsibility for assessing their own compliance, and it will be assumed that registered charities are in compliance with the Standards unless evidence can be produced to the contrary. This places the responsibility of meeting the Standards with each individual charity, while also allowing for the possibility of investigation should legitimate concerns arise.

However, CHF shares concerns raised by the Community Council for Australia (CCA) regarding the possibility for the ACNC to become involved in accrediting governance standards:

*There are already any number of groups and individuals who actively work to provide education, training, review, accreditation and other services targeted at improving governance strategies within charities. There are also a range of industry groups and peak bodies that work to improve governance within particular service groups...*

*While the ACNC may support these more specific standards, it should not be in the business of developing its own accreditation of governance programs, or picking winners and losers amongst the many third party accreditation agencies.*

CHF echoes these sentiments, and considers that the primary role of the ACNC is to ensure compliance with minimum standards, taking into account a range of variables including size and scope of each charity.

Finally, CHF supports the Standards' principles-based approach, which focuses on the outcome that registered charities need to achieve, rather than the mechanism through which they achieve it. This approach reflects the level of flexibility required for the Standards to apply to a wide range of charities and NFP organisations.

CHF appreciates the opportunity to provide input into this consultation and we look forward to reviewing the final versions of these documents. Should you wish to discuss these comments in more detail, please contact CHF Policy Manager, Ms Maiy Azize, on (02) 6273 5444.

Yours sincerely,



**Carol Bennett**  
**CHIEF EXECUTIVE OFFICER**