

Surf Life Saving New South Wales
Submission on the Treasury Consultation Paper
Governance Standards for the Not-For-Profit Sector

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Comments on the Draft Regulations

From the perspective of Surf Life Saving NSW (SLSNSW) the requirements of this exposure draft don't appear to be any more onerous than what is required by the *Corporations Act 2001*, *Associations Incorporation Act 2009* and *Charitable Fundraising Act 1991* which SLSNSW and its affiliates already aim to comply with.

There will be confusion in NSW however, as the *Charitable Fundraising Act 1991* currently requires that regardless of the size of the organisation, the accounts must be audited. This will obviously cover a significant number of registered charities in NSW.

"The accounts of any person or organisation that for the time being holds an authority to conduct a fundraising appeal, in so far as those accounts relate to receipts and expenditure in connection with any such appeals, must be audited annually by a person qualified to audit accounts for the purposes of the Corporations Act 2001 of the Commonwealth or having other qualifications or experience approved by the Minister."
S24.

Whilst the smaller charities only require a review by a person with the proscribed membership i.e. CPA/ CA etc. rather than a registered company auditor, we have been informed by our membership that it is increasingly getting harder in regional areas of NSW to find persons with the necessary professional membership to do this type of work because of the obligations placed upon them by their respective professional bodies, which makes this type of work not worthwhile.



Comments on The Governance standards

In the interest of enhancing the trust and public confidence in the charitable sector, SLSNSW is fully supportive of the governance standards as outlined in this document.

Standard 1- Purposes and NFP nature of a registered Entity

SLSNSW considers the intent and wording of this standard to be entirely appropriate so that charities can demonstrate they are complying with their charitable purpose.

Standard 2 - Accountability to members

Once again SLSNSW considers both principles and wording of the standard to be appropriate and in line with general community expectations surrounding accountability and transparency of an organisation to its members.

Standard 3 - Compliance with Australian Laws

SLSNSW is fully supportive of the principles outlined in this standard so the public has the necessary level of confidence that charities are complying with law. However, there is some question over the use of the words “*must not*” as opposed to using the word “*make all reasonable efforts not to*”. This would introduce a reasonableness test as sometime laws may be broken despite all reasonable risk management measures’ being taken to ensure violations does not occur. It is considered this degree of leniency needs to be introduced so each case is considered by the Commission and the courts on its merits.

Standard 4 - Responsible Management of Financial Affairs

This standard needs to be more specific in what is required as many NFP’s may have differing views on what it considers responsible in the management of their financial affairs. The standard could refer to some best practice guidelines (possibly published by the ACNC, much like those published by the Office of Liquor Gaming and Racing in NSW). Increased clarity will reduce uncertainty amongst NFP’s.

Standard 5 - Suitability of Responsible Entities

SLSNSW considers the draft standard is appropriately worded and puts forward the appropriate principles. However, there is some concern over the extra administration required by small charities (which covers the majority of our 140 affiliated clubs and branches) to review the ASIC disqualified persons register. As Surf Life Saving Clubs change their responsible entities regularly, with elections being held annually, this will just add to an ever increasing administrative burden placed on volunteers.



SLSNSW has no problem with allowing the ACNC to disqualify responsible entities and maintaining its own disqualified entities register of entities that it has disqualified. This is assuming it would automatically include those disqualified in the ASIC register so both registers do not require review before a responsible entity is appointed.

Standard 6 - Duties of Responsible Entities

The principles outlined in this standard entirely appropriate and consistent with community expectations surrounding responsible entities. The protections offered are appropriate and do not need altering or adding to for volunteer responsible entities. Though penalties are not discussed they should be different for volunteers as opposed to paid responsible entities, especially if no personal benefit is involved.