

27 January 2012

Manager, Philanthropy and Exemptions Unit
Personal and Retirement Income Division
The Treasury
Langton Crescent
PARKES ACT 2601

To: NFPReform@treasury.gov.au

Exposure Draft- Australian Charities and Not-for-profits Commission Bill 2012

Dear Sir,

Thank you for the opportunity to comment on the Exposure Draft- Australian Charities and Not-for-profits Commission Bill 2012.

I am an accounting academic employed by Charles Sturt University nearing completion of my PhD into accountability reporting by social service organisations. I am currently a director of two not-for-profit companies in the Central Tablelands area and am a graduate member of the Australian Institute of Company Directors. The views expressed are my own and not necessarily those of my employer.

Financial Reporting

There is overlap between the financial reporting aspects of the Exposure draft and the implementation design consultation paper so it may have been preferable to consider these aspects at the same time. Notwithstanding this my comments are as follows:

I do not agree that all entities, particularly small ones should be required to produce 'general purpose financial reports'. Currently many are able to produce 'special purpose financial reports' and in the interests of reducing administrative burden this should continue to be the case.

The proposed reporting requirements appear to be diverging from the current situation in New Zealand, and it is imperative there should be consistency for financial reporting of private sector not-for-profit entities between the two countries.

I support the concept of tiered reporting but believe the thresholds proposed are too low and should be increased substantially.

In terms of the information statements to be made publicly available that there is duplication between this and the Annual Report requirements. This needs to be rectified. The information statements should also take into account work currently being undertaken by the Australian Accounting Standards (AASB) Service Performance reporting project which has looked at a number of issues in this area. Wherever possible, information should be collected in SBR format using XBRL and not have a mandated layout in forms. In this way ACNC can format the information in any way they desire, without forcing entities to complete numerous forms and annual returns for ACNC government funders etc, which is a common complaint noted in my PhD research.

Regards,

Ken Crofts