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The Manager
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Dear Manager

Framework for annual financial reports to the Australian Charities and Not-for-profit Commission

Catholic Health Australia (CHA), on behalf of Catholic health and aged care organisations who collectively operate one in ten of the nation's hospital and aged care beds and provide home care to many thousands of Australians, supports the exposure draft framework for financial reporting to the Australian Charities and Not-for-profit Commission (ACNC). Our understanding is that all Catholic health and aged care services will comply with the proposed reporting framework. While we support for the proposed framework, we believe there are several opportunities to refine it prior to its formal adoption.

1 – Reports to other government agencies

Commonwealth funded aged care services currently provide general purpose financial reports to the Department of Health and Ageing to satisfy their annual reporting obligations as a consequence of their receipt of Commonwealth funds. Ideally, this report should satisfy ACNC reporting obligations as inferred on page 11 of the exposure draft until such time as the ACNC reporting obligations formally replace those of the Department of Health and Ageing.

Similarly, State and Territory registered entities provide financial reports annually to their enabling regulator. Provision of such a report to a State and Territory regulator should satisfy reporting until such time as the State or Territory reporting obligation have been formally replaced by reporting obligations to the ACNC.

Health services provide significant operational data to a combination of State, Territory, and

Commonwealth regulatory bodies. They are also subject to the public scrutiny of the Commonwealth *MyHospitals* web portal. Reporting duplication is likely to prove onerous, and it would be helpful for the ACNC to give specific focus to how the 'one stop shop' for health services might be achieved. CHA would welcome the opportunity to contribute to this area of policy development, and proposes the Treasury or ACNC establish a charitable health service consultative body to determine how reporting to governments by such bodies might be streamlined.

2 – Form and collective reporting

The Commissioner should issue a direction that health and aged care services, within which it is common for there to be multiple entities within a group, should be able to report collectively where more than one entity exists within a group. In doing so, the Commissioner's direction should indicate the ACNC will accept a report consistent with the format of current annual reports that are published by many charitable organisations that not only detail financial performance in compliance with the accounting standards but also describe the activities of the organisation and its governance. It is the common practice of Catholic health and aged care services to publish on their websites detailed and considered publicly accessible annual reports that consolidate the activities of different entities within a group. We submit that for the avoidance of duplication, consolidated annual reports that are commonly produced by not-for-profit organisations now should be accepted as a sufficient form of reporting to the ACNC.

Subject to consideration of the matters outlined, we are happy for the framework to proceed to implementation.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Martin Laverty', with a stylized flourish at the end.

Martin Laverty
Chief Executive Officer