

John Church

Section 47F

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

AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION – FINANCIAL REPORTING REQUIREMENTS

Dear Manager,

Thank you for making an opportunity to comment on the above matters.

I wish to make the following comments:

1.

Fundamentally it is wrong to attribute the same requirements to Charities and Not For Profits essentially they are completely different concepts and organisations in principle purpose and practice.

2.

We still have not seen the “proposed” definition of a “Charity”. Could this mean a further regulation to come?

3.

I note that the AASB has been dealing with Service Reporting for Not For Profits since 2007 and still has not reached any decision. It has not even reached a decision on whether to have separate standards for Charities and Not For Profits . One of The Government’s stated aims was to provide a One-Stop Shop” simplicity and clarity for Charities this policy approach is contrary to Government policy.

4.

The proposed regulation maintains a distinction between “Basic Religious Charity “ and those that are “Not a Basic Religious Charity” which are entitled under the Act (Division 20) to be a religious entity.

5. I realise that the piecemeal approach adopted by the Government does force it to make provisions such as are incorporated in this draft regulation. I would like to see an amendment to the Regulation that provides for the ACNC to develop a set of Accounting Standards for Charities within 2 years. This would enable the Government to achieve its aims of a One Stop Shop and could provide for simplicity for all and not an outside body determining the standards. The aim of the publicly stated policy of the Government means all requirements are available in one place and determined by one body

6.

It should be noted that the AASB is now calling for submissions on aspects only of not- for-profit entities which includes charities. The date for closure of submissions is in March so one can comfortably estimate that in another 2 years they may have developed a Standard. Again this is clearly contrary to Government policy.

7.

I note that Government wishes to commence this regime on the 1st July, 2013 and I realise that the timeframe is too short to do anything else but leave it as is proposed. However it is totally contrary to the Government's policy of a One Stop Shop that provides simplicity and clarity. The AASB seems to provide very complex and confusing Standards which will increase the accountability requirements for some Charities. It is interesting to note that our Banks now have to comply with the AASB and APRA this is not evidence of clarity, or simplicity, pity help the shareholders who have determine which is accurate.

8.

Charities do not want or need this approach which provides outside parties to determine the issues. In the discussion paper you have not advanced any reasons for this policy contrary to the Government's express statements. My question is why?

Therefore I submit that the Regulation should be amended to provide that the ACNC develop an Accounting Standards appropriate to Charities. I think a 2 year time would be reasonable in the current circumstances.

Yours Faithfully,

A handwritten signature in black ink that reads "John Church". The signature is written in a cursive, flowing style.

John Church
31st January 2013