



CATHOLIC EDUCATION COMMISSION

NEW SOUTH WALES

ABN 33 266 477 369

PO Box A169, Sydney South NSW 1235

Level 9, 133 Liverpool Street, Sydney NSW 2000

Telephone: (02) 9287 1555 Fax: (02) 9264 6308

Email: commission@cecsw.catholic.edu.au Website: <http://www.cecsw.catholic.edu.au>

15 February 2013

The Manager
Philanthropy and Exemptions Unit
Indirect, Philanthropy and Resources Tax Division
The Treasury
Langton Crescent
PARKES ACT 2600
NFPReform@treasury.gov.au

Dear Sir/Madam

Development of Financial Reporting Consultation Paper

The Catholic Education Commission NSW (CEC NSW) was established in 1974 by the Bishops of NSW to be the advocate and agent for Catholic Education at the NSW State level. The CEC NSW is responsible to the Bishops for the managing the Education funding contracts of nearly \$2 billion per annum with the Commonwealth and NSW State Governments. The Commission also provides leadership in Catholic education, through service to Dioceses, Religious Institutes and Parents. It functions through consultation with Diocesan Directors, Religious Institutes, and Principal and Parent associations.

We generally support the proposals for financial reporting, although we share the concerns voiced by the Australian Catholic Bishops Conference's submission.

We note Treasury proposes that the ACNC Commissioner must consider a number of factors before deciding whether to allow these reports to satisfy ACNC reporting requirements. The current factors emphasise the importance of accountability and transparency. We recommend that an additional factor should be added that gives the ACNC and existing regulators the incentive to work together to reduce red tape and duplication.

We note the criteria used to classify charities as small, medium and large are the same criteria in the ACNC legislation. However we consider the criteria should be broadened to include factors such as size, risks and access to public monies as stated in your regulatory

impact analysis¹.” These criteria provide a more balance assessment for the need for public reporting, and also reduce incentives to game the regulations. The Productivity Commission recently recommended that it is important for regulatory impact analysis to be “*fully integrated into the policy development process*” ... so as to “*stop the progression of poor regulatory proposals or reduce unnecessary regulatory burdens*”²

As noted in our submission on Governance we would have preferred a longer consultation period as many educators and educational institutions close down from mid-December to January. Also to help us and other entities plan and respond efficiently to any further consultation papers or release of final papers we request Treasury publish a 2013 calendar of any future consultations and releases of final papers. Finally, Treasury should consider consulting more broadly and deeply with other Government entities involved with charities, as the proposals in the paper are likely to have implications for entities that provide similar services to charities. For example, in education parents have the choice of sending their children to non-Government or Government schools – the principle of competitive neutrality may lead to similar financial reporting requirements and governance arrangements being applied to not only non-Government schools but also Government schools



Brian Croke
Executive Director

¹*Regulatory Impact Study of Establishing a Not-for-Profit Regulator* Section 1.98, 1.128, 1.147 etc
http://ris.finance.gov.au/files/2011/05/NFP_RIS.pdf

² Page 6 *Regulatory Impact Analysis: Benchmarking Report* Productivity Commission November 2012.