

Manager

Philanthropy and Exemptions Unit

Personal and Retirement Income Division

The Treasury

NFPReform@treasury.gov.au

Dear Sir

Thank you for the opportunity to comment on the draft legislation for the Australian Charities and Not-for-profits Commission and, in particular, the reporting requirements. Parkinson's Australia supports the establishment of the ACNC and welcomes the prospect of a common set of rules for the oversight of Australian charities but has concerns about the reporting requirements.

Parkinson's Australia and its member organisations are deductible gift recipients and would be entitled to be registered by the ACNC. We would also be regarded as either medium or large registered entities and be required to provide an annual information statement and an annual financial report. The exposure draft proposes that the financial report must be lodged by 31 October each year. This date is earlier than is currently the case. The current requirement under the various state Incorporated Association Acts require lodgement within 30 days after the AGM. The AGM can be up to six months after the end of the financial year.

The draft also proposes that the financial report must be prepared in accordance with Australian Accounting Standards. At present, we are non-reporting entities and prepare special purpose financial statements that do not meet all accounting standards. We are required to provide responsible individual declarations. The requirement to comply with all accounting standards will mean very small organisations that are classified as medium, because they get grants or are deductible gift recipients, will be required to prepare general purpose financial statements. This will mean the need to employ external accountants to draft them at increased cost, and substantially increased audit costs, with little or no public benefit. We note that the Bill proposes that medium entities can choose to have their financial report audited or reviewed, but grant requirements and member requirements mean an audit will, in practice, be required.

Parkinson's Australia believes that the proposed reporting date for all entities subject to the new legislation will potentially disadvantage small and medium registered entities which are not corporations. Many of these entities are very small, governed by wholly voluntary boards and financially small with limited capacity to buy auditing services. The current reporting date allows for these NFPs to access auditing services once the corporate reporting date of 31 October has been reached and still allows them to easily meet the cut-off date. We recommend that the legislation provides for an alternative reporting date for registered entities with revenue under \$1 million per year of 31 December.

We look forward to the outcomes of the consultation process.

Yours sincerely

Daryl Smeaton

Chief Executive Officer

Parkinson's Australia

20 January 2012