

19 February 2013

By email: [NFPReform@treasury.gov.au](mailto:NFPReform@treasury.gov.au)

Dear Sir/Madam

We welcome the opportunity to respond to the Regulatory Impact Assessment of potential duplication of governance and reporting standards for charities regulated by the Australian Charities and Not-for-profits Commission (ACNC) and state/territory regulators.

Family & Relationship Services Australia (FRSA) is the national peak body providing leadership and representation for services that work to strengthen the wellbeing, safety and resilience of families, children and communities. FRSA member organisations are NFPs that are vibrant, diverse, innovative and resourceful. They are organisations focussed on a mission to achieve social change through the provision of a broad range of family and relationship support services to the Australian community.

FRSA has been a supporter of the establishment of the ACNC because of its potential to reduce the administrative burden on our members. As you are aware, many organisations in the NFP sector (including FRSA member organisations) receive funding from multiple parties at Commonwealth and state levels, and are therefore subject to multiple governance and reporting requirements. In order for FRSA member organisations to deliver services in the most efficient manner, it is vital that unnecessary red tape and compliance burdens that decrease organisational capacity are removed. Our members have been delivering essential services on behalf of government for a significant period of time and have demonstrated their capacity to deal appropriately with increased levels of autonomy and decreased regulation.

In relation to the RIA, we would like to specifically make the following points:

1. The RIA is based on governance standards that remain high-level principles. Further clarification and certainty is needed in relation to these standards before an assessment of duplication can be made.
2. The RIA is too narrow in its scope and does not account for the extensive regulatory burdens imposed by other regulatory regimes, for example, fundraising and sector-specific standards/accreditation.
3. In relation to 'options that may achieve objectives', we recommend referral of powers. In the absence of this agreement, we would support the option whereby States and Territories 'carve out' charities from their statutory regimes. However, whatever option is chosen to progress, it should be ensured that it is progressed in a timely manner and not held up in lengthy COAG negotiations. For example, it should not be necessary for all states to act at the same time if option 4B were progressed.

4. State and Territory regulators need to work together with the ACNC towards consistency amongst legislative regimes for charities.

FRSA endorses the submission made by PilchConnect to COAG.

The ACNC was initially proposed as a way to assist the NFP sector to maintain public confidence. The Productivity Commission indicated that NFP organisations provide a wide range of community benefits including 'spillover benefits' that Governments are simply unable to derive. Yet it is a sector is more vulnerable to regulatory burdens than the private sector, and feedback from FRSA members demonstrates that they continually deal with complex, inconsistent and duplicated governance and reporting requirements. FRSA urges COAG to take note of the Productivity Commission's recommendation that reporting requirements must walk a fine line between ensuring accountability in the use of public funds, and providers having sufficient autonomy to design and deliver services.

The ACNC represents a real way in which relationships between Australian Governments and NFP service providers can be improved. It also operationalises some of the philosophy underpinning National Compact: *Working Together*, recognising and valuing the diversity, innovation and leadership of the NFP sector, and recognising the importance of relationships between Government and NFP organisations characterised by trust and mutual respect. FRSA would like to see the development of relationships that are accountable and transparent, including appropriate quality and performance management. We strongly support a more streamlined system of governance and reporting standards for charities to reduce administrative demands and allow more funding to be directed to program outcomes.

Thank you for the opportunity to contribute to this consultation. It is critical that regulatory arrangements for charities promote mature relationships between government and providers and do not compromise the provision of vital services. For more information about FRSA's views on this issue, please feel free to contact me.

Yours sincerely



Steve Hackett  
Executive Director