Hi Kris and the board,

Just a few bits of feedback from today's session in no particular order of importance.

1. It would be good to provide a very brief summary of the disclosure requirements in the four options you suggested for consideration.
Perhaps even rate them by degree of difficulty in preparing etc. But the critical thing is to know what is being disclosed or reported. I, and I think many, have differing understandings of the options you provided. In some ways it was putting the cart before the horse.

2. Following on from that it seems that if you add transparency/openness to the three foundational criteria mentioned at the beginning, which I clearly think is critical in charities especially as public trust and confidence is paramount (the foreword to your research paper makes this very clear, quite correctly I reckon) then that needs to be brought to bear in considering cut-off or transition points from one reporting method to another. I suggest that would possibly lower the revenue levels being suggested.

3. I don't think it is helpful to say lowering the $250k threshold because it may be politically difficult before asking people's thoughts on it. Apart from being avery subjective assessment, it also constrains and almost lowers the standards by default.

4. Of the 8 principles listed for reasons for charity reporting, I think many are a wee bit redundant or more correctly unnecessary in this context because surely that is something that is determined by an organisation when it registers as a charity. The only really objective principle that applies to all seems to be the that they get government privileges as they are classified as a charity so that alone becomes the defining principle. Clearly many of the others apply but as I say a bit redundant and unnecessary.

5. On the threshold side I tend to think revenue rather than expenditure is the critical one. That is what they have raised from the public and sets the highest bar. Expenditure is usually much lower and allows for the 'system' to be gamed.

6. One principle that perhaps needs emphasising is that financial reporting of charities needs to provide checks and balances. In other words to enable 'bad eggs' to be identified. I think naive to think all charity operators are cleanskins. Many of the weaknesses in the current regime highlighted in your report probably come from good charities and are genuine issues but I would suggest many of the non-standard regulations etc have been introduced because of past abuses. In other words making the reports simpler and more standardised is good but let's not remove the safeguards and checks. That by default may require a little more complexity. Remember the overriding driver is to maintain public confidence and trust. There are charities that have abused that trust so I think the reporting needs to be cognisant of that. So, for example, without specifically saying this is happening with the persons who mentioned that they combine a charity with a business, there lies a very real danger.

7. It seems that one of the difficulties with the full disclosure regime is that perhaps the accounting standards need revising to provide for more charity ( or perhaps even nfp) specific measures and indicators to be included, and also for some of the reporting requirements appropriate for a business to be removed. Some of the latter notes in the financial reports would be a good example of the latter.

8. The ASX does have specific listing rules in relation to NTA and market capitalisation. I should think it would be better be attuned more to this methodology as it sets the criteria for full disclosure. They may need to be different measures but you possibly catch the drift. It seems to me that the more the larger charities align with the disclosure requirements of public listed companies with some obvious modifications the better.

9. Can I be so bold as to suggest a methodology to clarify and perhaps provide templates or models (and you may well have done this already) is to take a sample of say 2 good charities from various revenue points, and use the comparative study of them to find points of commonality and difference. That would make these sessions more real and it would provide more realistic 'standards'.
Just a thought. I, for example have developed my own benchmarks to compare charities to assess them in my own work. To me that is where you approach from the angle of what do the public or should the public know about his charity rather than what the charities want to disclose.

10. I think it is worth mentioning that it is the 21st century in relation to bookkeeping and accounting. It can be done so much more efficiently and cheaply nowadays, and I think we shouldn't be too quick to let them regard the burden as onerous for the lease revenue charities. They just need to upgrade their skills a little, and that can be done very very cheaply these days. I think much of the compliance cost of yesteryear is hastily being reduced. Some of them need to be held accountable to stay up to date not revert to yesterday's excuses sort of thing.

Well, I hope this is helpful.

Cheers
Brett Stevenson