



# AUSTRALIAN CATHOLIC BISHOPS CONFERENCE

## General Secretariat

29 April 2016

Ms Kris Peach  
Chair and CEO  
Australian Accounting Standards Board  
PO Box 204  
Collins Street West VIC 8007

Dear Ms Peach

### **Reporting Service Performance Information exposure draft - AASB ED270**

The Australian Catholic Bishops Conference (ACBC) is a permanent institution of the Catholic Church in Australia. It is the instrumentality through which the Australian Catholic Bishops act nationally and address issues of national significance.

The Catholic Church acts in many ways across Australian society. It is made up of the faithful (ordinary women and men) and others who have consecrated their lives to particular vocations, for example nuns and priests.

Catholics are called to bear witness to the teachings of Jesus Christ in their daily lives. The Church seeks to guide both Catholics and non-Catholics alike to better experience the joy of life through its spiritual guidance and practices. In its mission to all people, the Church also provides services through its various health, social welfare and education agencies.

While the comments below are made on behalf of the Catholic Church in Australia, they are of a general nature and may well be applicable to the other faiths and religious organisations in Australia.

### **Religious organisations**

These comments on ED270 are restricted to the application of the [draft] Standard to religious organisations. These are entities which have as their purpose the advancement of religion without any other purpose. Within the Australian Charities and Not-for-profits Commission's framework, most of these entities are Basic Religious Charities. In these comments, such entities will be called *religious organisations*. They should be distinguished

from other faith-based organisations, such as schools and hospitals, which provide services to the community.

Under current reporting requirements, Catholic Church religious organisations are not required to report using General Purpose Financial Statements and could therefore opt out of following the proposed Standard. Nonetheless the comments are offered to provide the Catholic Church's view on the usefulness of the proposed Standard, especially if there were changes to the coverage of the reporting framework.

### **Matter 1 - Principles for reporting service performance information**

Religious organisations do not provide services.

Within religious organisations there are a wide range of activities involving some or many people. These activities vary, covering formal and informal prayer meetings, participation in religious rites and ceremonies, spiritual teaching and advice, instruction on Catholic faith and practice, and spiritual growth and support.

Religious organisations do not have service performance objectives.

When considering information for accountability and decision-making, members of the Church simply do not consider service performance, or efficiency and effectiveness measures. The intent of all activities - to meet the spiritual needs of Catholics and non-Catholics – is incapable of measurement.

While the principles in Paragraph 20 may be appropriate to organisations which provide economic and social services (including Catholic Church organisations such as schools) they are not relevant to religious organisations.

### **Matter 2 - Application of the [draft] Standard to NFP entities in both the private and public sector**

For the reasons given above it is not appropriate that the [draft] Standard apply to religious organisations.

To the extent that members of religious organisations require information for accountability and decision-making purposes, members are satisfied with special purpose financial statements.

### **Matter 3 - Application of [draft] Standard to for-profit entities**

The ACBC does not have a view on this Matter.

### **Matter 4 - Application of [draft] Standard to all NFP entities that prepare consolidated general purpose financial statements**

As stated above, the [draft] Standard should not apply to religious organisations.

**Matters 5, 6 and 7**

These are largely technical matters covering consistency with the financial statements.

The ACBC does not have a view on these Matters.

**Matter 8 - Proposed defined terms in Appendix A**

Apart from noting that the defined terms are largely consistent with the general understanding of the service performance concept, the ACBC does not have a view on this Matter.

**Matter 9 - Mandatory for NFP entities**

The [draft] Standard should not apply to religious organisations. This should be stated in the [draft] Standard to avoid any doubt on the issue.

**Matter 10 - Application date**

The ACBC does not have a view on this Matter.

I would be happy to answer any questions you may have. I can be contacted via Mr Jeremy Stuparich, Public Policy Director at the ACBC on 02 6201 9863 or at [policy@catholic.org.au](mailto:policy@catholic.org.au)

Yours sincerely

A handwritten signature in black ink, reading "Stephen Hackett msc". The signature is written in a cursive style with a large, sweeping flourish at the end.

Rev Dr Stephen P Hackett msc  
General Secretary  
Australian Catholic Bishops Conference