



## AASB Exposure Draft 270 – Reporting Service Performance Information

*“Not-for-profit entities promote a broad range of community, altruistic and philanthropic purposes. The not-for-profit sector delivers vital services and benefits to communities throughout Australia.*

*The not-for-profit sector receives a range of funding, including donations from members of the public and tax concessions, grants and other support from Australian governments.*

*It is important that a national regulatory system that promotes good governance, accountability and transparency for not-for-profit entities be introduced to maintain, protect and enhance public trust and confidence in the not-for-profit sector.”<sup>1</sup>*

These words are used in the Preamble to the Commonwealth legislation enacting the Australian Charities and Not-for-profits Commission (ACNC), and also reflect the intent of the current exposure draft ED270. NDS has always been and continues to be a strong advocate for transparency in the activities of not-for-profit organisations. It is for this reason that we supported the introduction of the ACNC.

In supporting this measure, NDS acknowledges the objectives of the ACNC to enhance public confidence in the not-for-profit sector and to reduce red tape and compliance costs for organisations by becoming a one-stop-shop for government and regulatory reporting. Consequently, the ACNC have established the Annual Information Statement for registered entities that requires both financial and non-financial reporting of the entities activities. This information once submitted is then publicly available via the ACNC Online Charities Register.

ED270 aims to achieve a similar outcome to the ACNC but does this in such a way that it duplicates the efforts of the ACNC and will increase the compliance burden on organisations. This will adversely affect all organisations but will disproportionately affect the small to medium sized organisations. These organisations are an integral part of their local communities but in many cases have insufficient resources (financial and non-financial) to meet a dual reporting obligation such as is proposed. It is for these reasons that NDS does not support the implementation of ED270.

NDS is however committed to ensuring that the sector remains transparent and engenders public confidence, whilst not adding an undue burden on these

organisations. We also acknowledge that in recent months the Australian government has announced that the ACNC will continue to operate as a charities and not-for-profits regulator, securing its future role in the sector. It is on this basis, that NDS considers that the ACNC and not the Australian Accounting Standards, would be the appropriate forum to further refine and develop the appropriate regulatory framework for the not-for-profit sector. They are best placed to ensure that transparency is enhanced without burdening organisations with undue reporting obligations.

While it is true that the ACNC currently only regulates registered charities and does not reach all not-for-profit organisations, the legislation has been drafted to ensure that all not-for-profit organisations should be regulated by the ACNC in the future.

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**National Disability Services** is the peak industry body for non-government disability services. Its purpose is to promote and advance services for people with disability. Its Australia-wide membership includes more than 1080 non-government organisations, which support people with all forms of disability. Its members collectively provide the full range of disability services—from accommodation support, respite and therapy to community access and employment. NDS provides information and networking opportunities to its members and policy advice to State, Territory and Federal governments.

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<sup>i</sup> Australian Charities and Not-for-profits Commission Act 2012 (Cth)