Response to the ACNC Implementation

Discussion Paper

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Approved by:

Cary Pedicini
Chief Executive Officer
Volunteering Australia
Suite 2, Level 3,
11 Queens Road
Melbourne 3004

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1 Introduction

1.1 About Volunteering Australia

Volunteering Australia is the national peak body working to advance volunteering in the Australian community. Its role is to represent the diverse views and needs of the volunteering sector while promoting the activity of volunteering as one of enduring social, cultural and economic value.

Volunteering Australia works closely with its network of Foundation Members (Attachment 1) across the country.

1.2 About this submission

This submission responds to issues in the consultation paper that have not already been addressed in Volunteering Australia's responses to other consultations concerning the establishment of the Australian Charities and Not-for-Profit Commission.

Volunteering Australia has previously made submissions about the:

ACNC Exposure Draft - January 2012

The Definition of Charity - December 2011

Scoping Study for a national not-for-Profit Regulator - February 2011

1.2.1 Acknowledgements

We acknowledge and appreciate the contribution to this submission of Volunteering Victoria, Volunteering SA & NT and the Centre for Volunteering NSW.

2 Our response to the consultation paper

2.1 Preamble

The consultation paper makes it clear that the full vision of the ACNC, especially around reducing red tape, will need state and territory governments to come to the table. Whether the state and territory governments will join in the ACNC remains to be seen. In the interim many organisations will still be subject to multiple layers of reporting.

Volunteer-involving organisations are looking to the Commonwealth and relevant state and territory authorities to work together to address this issue.

2.2 Charity Passport

2.2.1 Reducing reporting obligations to government

Duplication of reporting places a burden on all volunteer-involving organisations, particularly small volunteer-involving organisations.

There are a number of prerequisites to the success of the Charity Passport and its effectiveness in reducing the current level of reporting burden.

2.2.1.1 The information set has to be right

The effectiveness of the charity passport in achieving the goal of one-stop-shop reporting depends on its capacity to meet the accountability requirements of a range of departments in Commonwealth and state and territory governments.

2.2.1.2 Universal take up by government agencies in all circumstances where they require this information.

The Charity Passport must be recognised by and meet the major reporting requirements of state and territory governments.

Each instance where a government agency requires an organisation to provide this information separately, instead of using the Charity Passport, will dissipate the value of the Charity Passport as a tool for achieving one-stop-shop reporting.

2.2.1.3 More detail is needed

Whilst supporting strategies to reduce duplication of reporting, we have some questions and comments about the proposed Charity Passport.

Whilst the concept of and desired outcomes for the Charity Passport are appealing, it is not clear what having the proposed Charity Passport will mean in practice.

At present, organisations are required by Commonwealth and state and territory government departments to report details about the achievement of outcomes in relation to funds received for service contracts. The proposed information in the Annual Reporting Statement for each of the three tiers of reporting is rudimentary and would not capture the information that is requested (in numerous formats) by a range of government departments.

More detail is required about how the Charity Passport will be designed if it is to replace a range of reporting across departments and at different levels of government.

If the intention for the Charity Passport is simply to provide high level information that will enable government and the public to verify an organisation's status and credentials as a 'charity', it is difficult to see how it will add value to the effectiveness or efficiency of the sector by reducing regulatory burden.

Recommendations

That the state and territory governments are involved in discussions about the design and implementation of the ACNC, including the Charity Passport at each step of the process.

That advice is sought from Commonwealth and state and territory departments about the extent to which:

The proposed type and format of the information to be collected by the ACNC will be sufficient to enable one-stop-shop reporting

Each Department is willing to relinquish its own data collection role and rely primarily on the ACNC for the data required to meet its accountability requirements.

2.3   One-stop-shop reporting

2.3.1   Success factors for achieving one stop shop reporting on the basis of the data being collected by the ACNC?

Universal use of the data collected by the ACNC by Commonwealth and state and territory governments (where they would otherwise collect the data themselves) is imperative to achieving one-stop-shop reporting. The data set would need to be suitable for all the potential users of the data for reporting purposes.

2.4   Annual information statements

2.4.1   Adequacy of the information collected by the annual information statement for the purpose of achieving transparency and accountability

The collection of more information for the Annual Information Statement is supported if it replaced reporting required by multiple Commonwealth, state or territory departments e.g. more information than is contained in the annual statement is currently required for reporting for the Volunteer Management Program (VMP).

2.4.2   Any additional information that should be collected and provided to the public

Additional information should only be collected if it is required to meet Commonwealth, state and territory department reporting requirements and will reduce the number of reports required by different departments.

2.4.3 Suggested improvements to minimise any negative impact on volunteer-involving organisations

It is recommended that there is a transition period and support from the ACNC to complete the annual information statement for at least the first year for small volunteer-involving organisations.

2.4.4 Whether the Annual Information Statement should give charities the option of providing narrative descriptions of the outcomes achieved

The Annual Information Statement should give charities the option of providing narrative descriptions of the outcomes achieved.

2.4.5 Appropriateness of the proposed information to be collected through the annual information statement and financial report for each tier

Refer to 2.4.1

2.5 Transitional arrangements

2.5.1 Whether the transitional arrangements are clear for new and existing charities

Simpler language would help to make all information about the ACNC implementation clear. Awareness among charities, particularly small organisations, about the transitional arrangements is as important as whether the information is clear.

2.6 On-line engagement and training

2.6.1 What assistance could the ACNC provide to support the sector's use of online engagement?

All organisations must be able to report on line. Accessibility, particularly for small grass roots organisations, can be enhanced by having a phone helpline, and appropriate and effective publicity strategies.

Training on how to be a charity should be part of the process of becoming a charity. State volunteering peak bodies have the relationship with organisations and are best placed to deliver the training. However, they need to be funded to undertake this role.

Providing training through face-to-face interactive formats such as workshops are an important way to talk through issues. Offering this type of training, alongside online training, supports the principle of diversity (discussed below). Having a phone service and providing assistance to those without or with limited internet access is imperative. Simple clear language is appropriate.

The ACNC should be prepared for organisations requesting it to provide face to face briefings to its members and stakeholders about its role.

Many small volunteer-involving organisations operate with outdated, inadequate or nonexistent IT. This might mean providing organisations with hardware and software.

Having a phone service and providing assistance to those with limited or no internet access is imperative. Simple clear language is appropriate.

Recommendation

Support should be provided to enable the sector to access inexpensive and easy to use IT.

State volunteering peak bodies should be funded to provide training organisations.

2.6.2   Are there barriers to online reporting or registration? How can the ACNC ensure that it is effective?

Refer to 2.6.1.

2.7   The ACNC's educative role

2.7.1   Are these proposed principles guiding the ACNC's role as an educator adequate and appropriate?

Overall, the principles to guide the ACNC's role as an educator seem adequate and appropriate. We recommend the following additions and changes.

Recommendations

That a principle about *building capacity* is included i.e. the purpose of the ACNC's educative role is to enable and strengthen the NFP sector's capacity to continuously improve.

That in relation to the current principle of Diversity, include the diverse nature of the NFP sector and *the diverse nature of the community it serves*.

2.7.2   Whether it is appropriate for the ACNC to endorse education and guidance material provided by other entities (e.g. peak bodies)

It is appropriate for the ACNC to endorse education and guidance material provided by other entities (e.g. peak bodies) if it is appropriate for its purpose.

2.7.3   The role of national and state peak bodies in providing education and guidance material to volunteer-involving organisations

National and state/territory peak bodies for volunteering seek to inform members and stakeholders about any policy and regulatory changes that may affect volunteers or volunteer involving organisations. However, they have limited capacity and in the case of regulatory changes look to the relevant regulatory authority to provide suitable education and guidance material to all its stakeholders. Volunteering peak bodies can provide feedback on draft guidance material and distribute appropriate material to their members and

stakeholders at the request of the relevant body. This would presumably be in addition to their other channels of communication with relevant organisations.

2.8   Other matters

2.8.1   Assessment and evaluation of charities

Notwithstanding the diverse nature of the not-for-profit sector, the credentials and credibility of charities should be evaluated in a consistent way by the ACNC.

2.8.2   A 'light touch' approach to regulation

A light touch approach to regulation where organisations have contracts with government departments is suggested. The underlying principle we would like to see underpin accountability is an assumption that organisations have done the right thing. Questions for reporting would be kept simple and focused on asking whether agreed objectives have been met. Where the objectives have not been met, then questions that seek further details and explanation should be asked and dialogue about how the not-for-profit entity can address or manage this situation initiated.

3   Concluding remarks

Volunteering Australia supports the ACNC as a one-stop-shop for state and territory government departments, as well as the Commonwealth. We see the Charity Passport and Annual Information Statements as common tools for all governments and the not-for-profit sector.

A key question to which volunteer-involving organisations need an answer is whether the reporting that will be required to the ACNC will eventually replace reports to state and territory government and whether we can expect the Commonwealth reporting to come under/through the ACNC by July 2012.

Thank you for this opportunity to comment on the proposals for the implementation of the ACNC and to raise questions of relevance to volunteer-involving organisations in Australia.

ATTACHMENT 1

Volunteering ACT

Centre for Volunteering NSW

Volunteering Queensland

Volunteering SA & NT

Volunteering Tasmania

Volunteering Victoria

Volunteering WA