



Committee Secretary □
Senate Economics Committee □
Department of the Senate □
PO Box 6100 □
Parliament House □
Canberra ACT 2600 □

Dear Committee Secretary,

Re: Inquiry into the Disclosure regimes for charities and not-for-profit organisations

The Association of Children's Welfare Agencies (ACWA) is the NSW peak body representing agencies providing direct services to children and young people, and their families. This year, ACWA is celebrating 50 years of social advocacy, particularly for the Out of Home Care (OOHC) sector.

As a not-for-profit organisation representing over 100 other not-for-profit agencies, some of which are small to medium size agencies, ACWA has concerns about the current disclosure regimes for charities and not-for-profit agencies, and the impact of change on ACWA, its members and the not-for-profit sector.

Some of ACWA's current concerns are:

- The danger of grouping all not-for-profit organisations in the same category irrespective of their size and function.
- The inconsistency of legislations across the nation, especially in relation to fundraising activities.
- The lack of compatible reporting requirements
- When all members are directors of an organisation
- The lack of transparency of charitable agencies in terms of the amount of money allocated to administration versus the amount of money allocated to the cause of an appeal

ACWA supports the following:

- Linking charitable status to the nature of the work undertaken by the organisation and not based on the extent of its assets, which, in case of churches and well-established organisations, are bequests accumulated over numerous decades.

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- Harmonising the legislation across the nation to reduce red tape, particularly for organisations operating in more than one state or territory
- Developing accounting standards for the non-government sector
- Measuring and evaluating the success amalgamation and partnership models, before promoting them as the solution for small not-for-profit agencies
- Developing a specific section in the Incorporation Act to deal with not-for-profit organisations
- Providing standardised training especially in areas such as directors' responsibility, which includes: stewardship, accountability, transparency and integrity.

In general, in order to determine what needs to be changed, there is a need to evaluate the current landscape of the not-for-profit sector and to determine what is currently working well for the sector. Furthermore, there is a greater need to acknowledge and promote the role of the not-for-profit sector in influencing and shaping the social and economic framework of the community.

Yours sincerely,

A handwritten signature in black ink, reading "Andrew McCallum". The signature is written in a cursive style with a large initial 'A'.

Andrew McCallum
CEO

30 July 2008