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The Treasury  
Langton Crescent  
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By email: [acnct.consultation@treasury.gov.au](mailto:acnct.consultation@treasury.gov.au)

Dear Madam / Sir

### **Australian Charities and Not-for-Profits Commission (ACNC): Implementation Design**

I refer to the discussion paper released on 9 December 2011 by The Hon Bill Shorten MP, the then Assistant Treasurer and Minister for Financial Services and Superannuation, concerning the operations of the new ACNC.

Netball Australia welcomes the Gillard Government consulting on the proposed design and implementation of the new reporting framework for charities that will be administered by the ACNC; along with the description of the staged establishment of the ACNC public information portal and the educational role of the ACNC.

As Australia's leading female sport, netball strives to deliver fair, safe, inclusive, respectful and supportive environments for all Australians. We believe that netball offers the enjoyment of participation, a sense of belonging and life-long involvement – no matter whether that's as a player, coach, official, administrator, volunteer or fan.

Netball Australia and the State Netball Associations are committed to leading social change, strengthening and building capacity and capability in communities, and providing innovative and sustainable netball programs to empower women and girls.

Netball is ranked as the leading women's participation team sport and the top team based sport in Australia for 15 to 24 year olds. Over 1.2 million participants enjoy the game nationally and Australia has been dominant on the international stage since 1963. Netball Australia has more than 330,000 registered members; 5,000 clubs nationally; 570 Associations; and eight member organisations.

Netball Australia attended the ACNC Taskforce community consultation held in Melbourne on 7 February 2012. It is acknowledged that the ACNC's first tranche of reforms focuses on the charitable sector, whilst timeframes for the other not-for-profits are still to be determined, but are not expected to start before 1 July 2014. Of concern both at the public consultation and in written material is the use of the terms "charity" and "not-for-profit". At times the terms are used interchangeably, whilst at other times there is clear differentiation.

This concern was further highlighted given the number of entities, and their roles and responsibilities, identified in the Not-for-Profit Conceptual Map provided at the ACNC Taskforce community consultation held in Melbourne on 7 February 2012. For example, the key indicated "orange" for the Not-for-Profit Sector and "green" for the ACNC, with limited connectivity other than via the ACNC Advisory Board and the Not-For-Profit Sector Reform Council.



Netball is aware that Treasury is responsible for developing the legislation to establish the ACNC, and a new statutory definition of charity for all Commonwealth purposes from 1 July 2013 is being drafted. It is critical that there is nomenclature clarity across the entire not-for-profit sector given a staged establishment has been touted.

Notwithstanding the concerns articulated above, Netball Australia offers the following observations:

### **Role of the ACNC**

- Netball Australia notes that the Australian Taxation Office (ATO) will continue to administer federal tax concessions but will accept the ACNC's determination of an entity's charitable status where that status is a condition of accessing such concessions. However, the ATO will continue to determine whether any additional conditions in the tax law are satisfied.

A key ACNC and ATO relationship consideration going forward is the ATO's deductible gift recipients (DGRs) status, given many companies and foundations require "Notices of Endorsement from the ATO as a DGR and as a Tax Concession Charity" as an application precursor – currently the DGR process is prohibitive for many NFP national sporting organisations have health, education and welfare rights in their implied in their objects.

### **Regulatory Approach and ACNC Reporting Framework**

- The outline of "soft approach", graduated powers and opportunities for self-correction, along with a risk-based approach to regulation is sensible.
- The Regulatory Principles of relevance, proportionality, consistency, transparency, and timeliness seem prudent.
- The level of detail required on whether an entity is small, medium or large is rationale. Care must be taken to ensure that entities currently regulated by the Australian Securities and Investment Commission (ASIC) who in the future could be required to transfer their obligations and reporting requirements to the ACNC do not find themselves with vastly different annual reporting, annual information statement, and financial reporting requirements compared with current practices, not just to regulators, but also to their members, partners and supporters.
- On first reading the Standard Business Reporting framework seems an appropriate basis for the reporting of financial terms to the ACNC. It will be important that the framework is modified for the not-for-profit sector, and that education and training, along with support to purchase and use the technology, is provided.
- Use of Standard Charts of Accounts is supported.
- Variations outside of reporting around a standard financial year (1 July to 30 June) ought to be provided without undue burden as various entities plan, budget and report on a calendar year (January to December) to align with their operations.
- The threshold requirements identified for proportional reporting through a three-tier system according to charity revenue are likely to be too low for many not-for profits (noting that the needs of some not-for-profits, like charities are reliant on volunteers and located in rural and regional areas).
- The concept of "report once, use often" via the "Charity Passport" is a welcome consideration if implemented correctly. It is noted that regulatory requirements established in state or territory jurisdictions will still need to be met. The longer-term aim of harmonised regulation would be well received.

## ACNC Portal

- The ACNC information Portal to provide 'one stop shop' gateway for not-for-profits and searchable database is a welcome consideration.

## Education and Guidance

- The guiding principles of accessibility (including usefulness, relevance and readability, targeted and tailored), diversity and efficiency seem appropriate.
- The foundational scope of the ACNC to provide education, guidance and general advice on the role and requirements of the regulator and the compliance obligations is critical and should be the main focus, along with the provision of evidence (both qualitative and quantitative) to help with informed decision making about the impact and influence of the sector.
- Given the independence of the regulator is critical, it does not seem appropriate for the ACNC to endorse education and guidance material provided by other entities.

If you require further information, please contact me on phone [REDACTED] or email [nadine.cohen@netball.asn.au](mailto:nadine.cohen@netball.asn.au).

The netball community looks forward to ongoing involvement in the reform of the not-for-profit sector.

Yours sincerely



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