

25 January 2012

Manager
Philanthropy and Exemptions Unit
Personal and Retirement Income Division
The Treasury
Langton Crescent
PARKES ACT 2600

Dear Sir/Madam,

Response to Consultation Paper - Review of Not-for-Profit Governance
Arrangements and Exposure Draft – Australian Charities and Not-for-Profits
Commission Bill 2012

Thank you for the opportunity to comment on the Consultation Paper - Review of Not-for-Profit Governance Arrangements and Exposure Draft – Australian Charities and Not-for-Profits Commission Bill 2012. Australian Communities Foundation has decided to respond to both the above documents with this letter.

The Australian Communities Foundation was originally established in 1997 as the Melbourne Community Foundation. In July 2011 it changed its name to more accurately reflect the current work of the Foundation.

The Foundation makes grants that meet donors' charitable requests and goals and addresses needs in the community. Currently Australian Communities Foundation has over 180 sub funds managing approximately \$35 million dollars and distributing about \$2.5 million dollars annually.

Australian Communities Foundation submits this letter to broadly support the submission put forward by our peak body, Philanthropy Australia in response to the above documents. There is however one exception to this support that we wish to draw to your attention. Australian Communities Foundation agrees with the government that transparency is essential for all not for profit entities receiving public money including those who receive tax concessions. Therefore we fully support the need for all charitable trusts to be accountable in some form to the general public. This does not necessarily need to be full disclosure of individuals names as currently proposed but there should be some mechanism for reporting the activities of these entities to the public.

Australian Communities Foundation agrees with a principles based approach to reform in the sector. In accord with government not-for-profit reform process we support the following core principles:

1. Reinforcing public confidence in the sector
2. Report once, use often
3. Reducing red tape
4. Proportionate and common sense reporting and regulation

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The other issue we would like to raise relates to the Exposure Draft and the creation of the Australian Charities and Not for Profit Commission. We strongly support the need for the independence of the Regulator and the need for the Commissioner to have control over the staff and culture of the Australian Charities and Not for Profit Commission. Therefore we strongly recommend that it is clear in the legislation that the Commissioner is given the right to hire and fire staff and not be dependent on staffing being "made available" through the Taxation Office as currently outlined in Section 163 - 5(1).

Australian Communities Foundation would be happy to discuss in detail any aspect of our letter with you or your staff. Thank you again for the opportunity to participate in these important reforms and we look forward to a productive and positive relationship with the new Commission.

Yours Sincerely



Marion Webster OAM

Chair

For discussion and further information please contact:

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