

Manager
Philanthropy & Exemptions Unit
Personal and Retirement & Income Division
The Treasury
Langton Crescent
PARKES ACT 2600
Email: NFPReform@treasury.gov.au

Dear Sir/Madam

Re: *Governance arrangements for the not-for-profit (NFP) sector, and Implementation design and draft legislation for the Australian Charities and Not-for-profit Commission (ACNC).*

In previous correspondence to you by way of the attached letter dated 8 July 2011, Vision Australia asked for continued information and support as changes to the Not-for-profit (NFP) sector are developed and implemented. Accordingly, we commend the Australian Government and Treasury for its ongoing consultation on these important matters.

In the interests of efficiency, please accept this letter as our response to the consultation on governance arrangements for the NFP sector, as well as the implementation design and draft legislation for the Australian Charities and Not-for-profit Commission (ACNC).

Briefly, Vision Australia is an economically significant national NFP organisation. In 2010/11 we spent approximately \$90 million providing services, including approximately \$30 million derived through Local, State, Territory and Federal government sources. The remainder of our revenue was derived from investment, social enterprise activity, sales of equipment for use by the blind and vision impaired, supported by considerable fundraising efforts. We employ in excess of 700 full time equivalent personnel, operate 28 offices and provide services to close to 50,000 Australians who are blind or have low vision and their families, on a regular basis.

Vision Australia supports governance arrangements for the NFP sector that reduce duplication and burdensome arrangements and costs for our operations. We support an approach that improves public trust and confidence by promoting governance, accountability and transparency of the sector. We believe this can be done without adding work or complicating current practices and would like to see further simplification in the processes and requirements for the entire way we are required to do business.

Vision Australia supports the Corporate Governance Principles and Recommendations established by the Australian Stock Exchange (ASX) Corporate Governance Council. Vision Australia is not a listed company but has applied the principles insofar as it is sensible and realistic to do so in the context of a large, not for profit organisation and with regard to the scope of operations and level of client, donor, and other stakeholder interest.

Our Annual Report and Financial Report is audited and published each year and clearly sets out our Corporate Governance principles and other important information addressing the key governance arrangements issues proposed by the Australian Government. Our reports can be found here

<http://www.visionaustralia.org/info.aspx?page=1055>

Our Constitution sets out our purpose, provides guidance on membership, conduct and proceedings at general meetings, members' votes, Directors positions, powers, duties and proceedings, our Consumer Advisory Body, provisions relevant to the Chief Executive Officer and all executive officers, proceedings and their powers and duties, inspection of records and service of documents, indemnity, winding up, accounts, and establishment and operation of the Gift Fund. A copy of our Constitution is at <http://www.visionaustralia.org/info.aspx?page=553>

The Productivity Commission released a significant report on the disability sector, 'Disability Care and Support' in August 2011 noting that while government increasingly relies on organisations such as Vision Australia for service delivery the *'current disability support system is underfunded, unfair, fragmented, and inefficient.'*

Without doubt, part of the fragmentation and inefficiency the Commission described relates to each program or grant funding we receive which include separate and onerous registration and application processes, reporting, auditing, acquittal, mandatory record keeping and other varying requirements from various Local, State, Territory and Commonwealth agencies. Any measures which the Treasury and Australian Government can implement through the NFP reform process that retains benefits while minimising duplication will assist us to deliver services that provide vital support to people who are blind or have low vision and in doing so provide benefits to the government and taxpayers.

We rely on fundraising activities supported by arrangements that provide tax benefits, and the generous support of donors and beneficiaries to continue to deliver services. The services we provide, including those for which we receive government funding, rely on this financial support to continue. We are accountable to our donors through the provision of information and the continued success of our programs. We also rely on current taxation concessions such as the Fringe Benefits Tax exemption of \$30,000 per annum per employee that allows Vision Australia to attract and retain employees more affordably than would be possible without these concessions.

Vision Australia has reviewed the implementation design and draft legislation for the ACNC.

At present the ACNC exposure draft includes public benevolent institutions, as well as charities established for the advancement of health and education. Vision Australia is a Public Benevolent Institution. We believe employment services, disability services and aged care services should be included within the range of charitable purposes the ACNC will register in the future.

The proposed Registration process as outlined makes sense and avoids unnecessary duplication.

In terms of Education, Compliance and Enforcement the items covered in the exposure draft appear to be straightforward and we support the intent for the ACNC to take a strong educative role, particularly as the sector adjusts to the new environment, and as new areas are covered into the future as proposed.

We would like to see further measures in your final report that will deliver:

- less time complying with duplicative or burdensome arrangements, and more time helping the community;
- simplified administration procedures;
- no addition of new reporting requirements;
- reduced compliance procedures;
- coordinated approaches from Local, State, Territory and Commonwealth agencies in respect of their requirements for registration and application processes, reporting, auditing, acquittal, mandatory record keeping and other varying requirements;
- protection and support of vital services that are delivered by NFPs and which have a demonstrable community need and provide benefits to government and Australian taxpayers.

Thank you for the opportunity to provide our views. We congratulate you on your work this far and look forward with interest to the next stage of this important work.

Yours sincerely

David Speyer
Acting CEO
Vision Australia