



Government of **Western Australia**
Western Australian Regional Development Trust

20 January 2012

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

Dear Sir/Madam

I refer to your December 2011 Consultation Paper *Review of not-for-profit governance arrangements*, and your request for submissions by 20 January 2012.

The Western Australian Regional Development Trust (Trust) does not intend to make a submission, but does wish to advise Treasury that it is available for consultation.

The Trust performs an oversight role on expenditure of over \$1 billion a year in regional Western Australia as a result of the *Royalties for Regions Act 2009*. The Trust is an independent statutory advisory body to Western Australia's Minister for Regional Development and Lands (RDL). More about the Trust can be found at <http://www.rdl.wa.gov.au/aboutus/independentpartners/RegionalDevelopmentTrust/>

Much of the economic business and social development of Western Australia, including custody and management of land, involves not-for-profit organisations. Over 100 RDL-funded Community Resource Centres are run by NFPs; pastoral lands are sometimes leased to NFPs; and much regional development concerns NFPs. In the case of some Aboriginal organisations involved in regional development, their financial interests could extend to billions of dollars over time, as a result of resource agreements. Royalties for Regions funding has also been allocated to and spent by NFPs for projects in regional Western Australia.

As the Commonwealth Treasury is aware, the large and growing role of NFPs in government service delivery means there are important obligations flowing from that. Secondly, financial and performance audits matter greatly. In the absence of general entity standards, a lack of trust in NFP governance can result in high levels of additional governance imposed by grantors.

Please do not hesitate to contact my office on these matters. The Trust's Executive Officer Diane Biletic can be contacted at diane.biletic@rdl.wa.gov.au or on (08) 6552 4498.

Yours faithfully

Andrew Murray
Chair