

**AUSTRALIAN GOVERNMENT PRODUCTIVITY  
COMMISSION SUBMISSION**

**Draft Report into the Contribution of the Not for  
Profit Sector**

**November 2009**

Submission by:

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## ***Executive Summary***

RSL (Qld Branch) appreciates this opportunity to make a submission to the Australian Government Productivity Commission in regards to the Draft Report into the Contribution for the Not for Profit Sector.

The RSL is a Not for profit, totally independent, apolitical organisation run by its members, for its members including members of the ex-service community and current serving members of the Australian Defence Force (ADF).

The RSL (Qld Branch) oversees the administration of ten Regional District Offices, and 250 Sub Branches representing 40,000 members in Queensland and provides vital advocacy services and support for all current and ex-serving ADF personnel.

The RSL, serves the needs of its members and community by:

- Providing a means for members to enjoy camaraderie and mateship;
- Providing welfare, advocacy and social support services to those members and other ex-service men and women when they require it;
- Running commemoration and remembrance activities in the local community
- Fostering community spirit and citizenship by supporting young people, education, local communities and organisations

## ***Recommendations***

The below draft recommendations are of concern with the following points:

### *Draft Recommendation 5.1*

The Australian Government should initiate an Information Development Plan (IDP) for the Not for Profit (NFP) sector. Given its central role in providing data on the sector, and its legislated responsibility for statistical coordination, the Australian Bureau of Statistics should be given responsibility for formulating the IDP, consulting other key stakeholders as appropriate.

### *Draft Recommendation 5.2*

Australian governments should endorse a common framework for measuring the contribution of the not-for-profit sector. Having regard to the diversity of the sector's activities and structures, measurement using this framework should embody the principles of proportionality, transparency, robustness, flexibility, and applicability.

To the extent possible, evaluations should be used to help identify the contributions, especially in respect of the impacts on individuals and the community, and inform the development of data collections.

### *Draft Recommendation 5.3*

To minimise compliance costs and maximise the value of data collected, Australian governments should agree to implement a reform agenda for reporting and evaluation requirements for not-for-profit organisations involved in the delivery of government funded services. This should:

- commit to basing reporting and evaluation requirements in service delivery contracts on a common measurement framework (appropriately adapted to the specific circumstances of service delivery)
- require expenditure (input) measures to be based on the Standard Chart of Accounts
- ensure that information generated through performance evaluations are returned to service providers to enable appropriate learning to take place and for organisations to benchmark their performance
- embody, where practicable, the principle of 'report once, use often'.

### *Draft Recommendation 5.4*

The Australian Government should provide funding for the establishment of a Centre for Community Service Effectiveness to promote 'best practice' approaches to evaluation, with an initial focus on evaluation of government funded community services. Over time, funding could also be sought from state/territory governments, business and from within the sector. Among its roles, the Centre should provide:

- a publicly available portal containing evaluations and related information provided by not-for-profit organisations and government agencies
- guidance for undertaking impact evaluations
- 'meta' analyses of evaluation results.

*Draft Recommendation 6.2*

To promote confidence in the not-for-profit sector and reduce regulatory burden, Australian governments, initially through the COAG Business Regulation and Competition Working Group, should:

- agree to and implement harmonised fundraising regulation and mutual recognition across Australia
- support the development of a fundraising register for cross jurisdictional fundraising organisations, to be administered by the proposed national Registrar
- endorse the adoption by all governments of the Standard Chart of Accounts for reporting by not-for-profits in receipt of government grants or service contracts
- ensure that the Standard Business Reporting initiative be expanded to include reporting requirements by not-for-profits.

*Draft Recommendation 6.4*

The Australian Government should establish a one-stop shop for Commonwealth regulation by consolidating various regulatory functions into a new national Registrar for Community and Charitable Purpose Organisations with the following key functions to promote confidence in the not-for-profit sector:

- register and regulate Commonwealth incorporated associations, companies limited by guarantee and Indigenous corporations
- register and endorse not-for-profits for commonwealth tax concession status
- registration of cross-jurisdictional fundraising by not-for-profit organisations
- a single reporting portal for public record corporate and financial information, proportionate to the size and scope of functions of not-for-profit organisations
- provision of appropriate governance education
- complaints handling.

RSL (Qld Branch) agree in general that the Not for Profit Sector requires a review in the way it measures and maximises contributions to its members and the society but also feel that additional reporting and regulatory requirements which are recommended to be placed on NFP entities would have a significant impact on increased administrative functions and cost.

NFP entities employ staff to deliver essential community services and functions and use limited resources in overhead and support areas which ensures that the majority of funds are exhausted on supporting the essential services and to the community.

By increasing these requirements and in turn the level of administration required, the funding will not be allocated directly to the benefit of the community. The significant additional costs required to meet these recommendations will be at the expense of the organisation whose main aim is enhancing the lives of those within the community.

## ***Community Benefits***

RSL (Qld Branch) supports, sponsors and operates numerous organisations within and for local communities to provide benefits to not only members, but the wider population.

These services form a significant part of many communities and deliver benefits and services that other organisations could not provide. The following is a summary of some of the many services that will be affected with the increased administration costs across the State.

- Community Support through our welfare areas to support members and families
- Accommodation for the elderly and ailing
- Youth development and sponsorship
- Community engagement through the clubs and a facility for members and guests to be entertained and to socialise
- Pensions and Advocacy services to the community to gain DVA pensions

## ***Employment***

RSL (Queensland Branch) is a considerable employer across the state, with clubs based in areas from the South East to regional centres and numerous small towns and communities. The clubs employ a mix of staff within the local communities which include full time, part time and casual team members.

In some smaller towns and communities the RSL may be the largest employer within the region, supporting the local economy in terms of work and employment opportunities but also local suppliers and contractors who are essentially integrated with the RSL to provide necessary goods and services.

RSL (Queensland Branch) also has considerable volunteer base within the community which provide essential benefits and assistance not only to members, but also community organisations. To add further pressure to what we consider a highly volunteer based organisation would, as is happening now with other legislative changes, encourage an even further decline in the volunteers. The volunteers are an ageing community that have very little no to no experience on working with computers and would find it impossible to produce the information required to measure contributions.

## ***Conclusion***

RSL (Qld Branch) feel that in general the review is healthy for the NFP sector, but believe the Productivity Commission should take the opportunity with the information gathered to find ways of supporting the sector in its ambition.

RSL (Qld Branch) is always looking at ways of maximising its contribution as it is dedicated to the benefits of its members and the community, but with forced additional administration costs the contribution to the community is likely to diminish and not improve.

Yours Sincerely

Chris McHugh  
Chief Executive Officer  
RSL (QLD Branch)