



4 October 2013

Regulatory Policy
Department of Treasury and Finance
GPO Box 1045
ADELAIDE SA 5001

Via email: regulatorypolicy@sa.gov.au

Office of the Chief Executive
Alex Malley, FCPA

CPA Australia Ltd
ABN 64 008 392 452

Level 20, 28 Freshwater Place
Southbank VIC 3006 Australia
GPO Box 2820
Melbourne VIC 3001 Australia

T +61 3 9606 9689
W www.cpaustralia.com.au
E alex.malley@cpaustralia.com.au

Dear Sir/Madam

Statutes Amendment (Commonwealth Registered Entities) Bill 2013

CPA Australia welcomes the opportunity to comment on the Statutes Amendment (Commonwealth Registered Entities) Bill 2013 (the Bill). CPA Australia is one of the world's largest accounting bodies and represents the diverse interests of more than 144,000 members in finance, accounting and business in 127 countries throughout the world. Our vision is for CPA Australia to be the global professional accountancy designation for strategic business leaders. We make this submission on behalf of our members and in the broader public interest.

CPA Australia supports the proposals put forth in the Bill to reduce regulatory duplication for charities registered with the Australian Charities and Not-for-profits Commission (ACNC). However, we believe there are further opportunities to reduce regulatory red tape through these proposals, as set out in our comments below.

Collections for Charitable Purposes Act 1939

We note that the Bill includes a proposal to amend the definition of charitable purpose. The recent enactment of the Charities Act 2013 provides a Commonwealth based statutory definition of charity, and this includes a definition of charitable purpose. We are of the opinion that the Collections for Charitable Purposes Act 1939 should adopt the Commonwealth definition of charitable purpose. We appreciate that the definition of charitable purpose within the Collections for Charitable Purposes Act 1939 may have been developed to address specific regulatory needs identified within South Australia for charitable collections. To address any such specific jurisdictional needs, further detail could be provided within an explanatory memorandum to the legislation, and guidance provided by the state regulator.

Associations Incorporation Act 1985

We note that the proposals seek to retain the requirement for a report of the committee to be prepared and presented at the Annual General Meeting, in addition to the financial report for the year. The committee report will include information about certain related party transactions arising during the period, as set out in section 35(5) of the Association Incorporation Act 1985. Initial proposals by the ACNC on the Annual Information Statement (AIS) included disclosure of whether or not an entity had related party transactions during the year. However, following public consultation the ACNC removed this requirement from the final AIS. The disclosure of related party transactions by charities registered with the ACNC will, where relevant, arise from the application of the Australian Accounting Standard AASB 124 *Related Party Transactions*.

Whilst retaining the requirement for a committee report is not detrimental to the objective of reducing duplication, it causes reporting that is different and additional to that required by the ACNC. Accordingly, unless there is a specific identified need for such information, we suggest removing this requirement so the overall reporting requirements are aligned with those required by the ACNC.

If you require further information on any of our views expressed in this submission, please contact Ram Subramanian, CPA Australia by email at ram.subramanian@cpaaustralia.com.au.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Alex Malley', with a large, stylized flourish above the name.

Alex Malley FCPA
Chief Executive

cc: M Shying