

Report of the Review of Administrative Requirements of Non-Profit Organisations in the ACT  
(Red Tape Review)

ACT Government Response

April 2008

The Department of Disability, Housing and Community Services commissioned a review of the administrative and regulatory requirements that apply to non-profit organisations in the ACT. The aim of the Review was to identify any areas of unnecessary compliance burden that may be modified, reduced or removed to assist the efficiency and viability of the non-profit sector in the ACT. The Department engaged MinterEllison Consulting to conduct this review.

The Terms of Reference for the Red Tape Review of Non-Profit Organisations in the ACT, included:

- (1) Consult with relevant ACT Government agencies, peak bodies and a cross-section of non-profit organisations, to seek and report on stakeholder views on the administrative and regulatory requirements imposed by the Territory on the non-profit sector.
- (2) Analyse the nature and extent of administrative requirements imposed by the Territory on non-profit organisations in the ACT,
- (3) Identify impediments to the efficient operation and long-term viability of non-profit organisations generated by regulatory and administrative requirements imposed by the Territory, including, but not limited to:
  - (a) unnecessary complexity that is not commensurate with the size, risk, or financial value of activities;
  - (b) duplication, especially relating to similar requirements imposed by multiple government agencies or legislation; and
  - (c) access to ACT Government funding and subsequent reporting and compliance requirements.
- (4) Examine the range of legal entities and other structures under which non-profit organisations may operate, and identify any inconsistencies in the application of definitions where entitlements such as tax concessions, land grants and other benefits are available.
- (5) Recommend modification, reduction or removal of areas of administrative burden that will assist the efficiency, viability and sustainability of the non-profit sector in the ACT, whilst maintaining appropriate levels of governance, accountability and risk management. Recommendations should make a clear distinction between non-profit organisations providing human services in the ACT, and other non-profit organisations such as those relating to arts, recreation, or the environment.

The ACT Government agreed with ten and noted two of the findings of the Review. The majority of the recommendations will be progressed through ongoing streamlining activities to achieve a more efficient and effective operating environment that includes the development of the ACT Government Grants Portal online component and the production of a Funding Managers Guide for ACT Government agencies and community organisations.

No.	Recommendations	Response	ACT Government Comment
<b>Improve Support for Small Organisations</b>			
1	Enhance the knowledge of regulatory requirements through the development of a database containing the title of each legislative or regulatory requirement, its principal purpose and when it may apply to the NGO.	Agreed	<p>The ACT Government Grants Portal Steering Committee will implement this recommendation through the development of Granted, the online component of the ACT Government Grants Portal. It is expected Granted will provide an online, up to date, resource for community organisations to assist them to apply for grants and to more fully understand the related commitments and obligations. The portal will include a link to the ACT Registrar Generals Office web page that contains information on Incorporated Associations.</p> <p>The ACT Government also notes small NGO's encompass a wide variety of interests including sport, arts and community activities. These organisations undertake a range of activities and many of the smaller organisations are voluntary and may not receive government funding. The ACT Government recently revised the Short Form Service Funding Agreement template for low risk and low value activities. The template will improve support small organisations by reducing reporting requirements and minimising the required level of regulation.</p>
2	Investigate and develop practical guidelines and documentation such as simple flow charts and checklists to support adherence to regulatory requirements.	Agreed	<p>More formal and longer-term funding relationships are generally expressed through Service Funding Agreements. The Service Funding Agreement template has been updated to more clearly articulate regulatory requirements and enhance consistency in applications across government agencies.</p> <p>A Funding Managers Guide will be developed to support the implementation of Service Funding Agreements. The Guide will include examples and prompts for funding managers to more clearly articulate regulatory requirements and related requirements. It is expected the Funding Managers Guide will assist smaller organisations that have agreements to be more fully aware of their regulatory obligations.</p>
3	Consider a program of support for improving governance that is outside the core grant/service funding arrangements.	Agreed	The ACT Government provides ongoing funding to ACTCOSS to offer governance training for community organisations. The ACT Government is also piloting a shared services concept with a large community service to support smaller agencies to meet their governance and funding obligations.
4	Consider creating a principal contact agency for NGOs that are in receipt of regular grants or grants from a number of agencies. This contact point would be the	Agreed	<p>Grants are generally allocated on a one off basis for a specific project or program. The Deed of Grant Template nominates key contacts between parties.</p> <p>The Department of Disability, Housing and Community Services recently established a central</p>

	relationship manager if a service funding agreement exists for the NGO.		grants and contract unit to streamline the monitoring of grants and service funding arrangements, and to provide a 'front door' for community organisations.
<b>Consider Impact of Multiple Agreements and Grants</b>			
5	Produce a single set of policies covering both Service Funding Agreements and grants that relate the level of documentation required for grant applications, funding agreements, reporting and acquittal to the level of risk to Government inherent in each transaction.	Agreed	<p>The ACT Government Funding Managers Network recently reviewed the Service Funding Agreement templates to ensure consistency in application amongst ACT Government agencies. A Short Form Service Funding Agreement Template was developed to minimise the reporting burden for low value and low risk funding. Also reviewed were the Deed of Grant; Sponsorship, Consultant and Contractor Agreements; and a range of Deed of Variation templates.</p> <p>The ACT Government held a forum that included presentations from Procurement Solutions, the ACT Government Solicitor and the ACT Insurance Authority to provide up to date information in relation to developing funding agreements, including assessing the risk inherent in each transaction. Each of the updated templates includes enhanced prompts for the funding managers to develop agreements with community organisations. These prompts will inform the development of an ACT Government Funding Managers Guide to support community organisations to understand their funding obligations. This may include checklists and step by step information</p> <p>The further development of the ACT Grants Portal will also enhance consistency of documentation and simplify application processes.</p>
<b>Consider the Size and Complexity of Funding Agreements</b>			
6	Review and simplify applications, approval, reporting and acquittal processes for grant activities of low value and low risk.	Agreed	The development of Granted, the online component of the ACT Government Grants Portal will simplify the grant process for community organisations. The portal currently has a number of information sheets that aim to support community groups to apply and manage grant funding.
<b>Reduce Multiple Demands for Corporate Information</b>			
7	Investigate a single point of collection and assessment by Government of core business data (eg financial, governance, risk management) relating to each NGO. It is suggested this be provided once each year by each NGO to a central	Agreed	<p>The ACT Government has implemented a number of streamlining processes to reduce the level of administration experienced by community organisations, they include:</p> <ul style="list-style-type: none"> <li>• Developed the ACT Government Grants Portal to streamline access to information and overtime to provide a central location to manage grants.</li> <li>• Centralised the administration of service funding monitoring through establishment of the Grants and Contract Unit in the Department of Disability, Housing and Community</li> </ul>

	location at an agreed time.		<p>Services.</p> <ul style="list-style-type: none"> <li>Identified multiple funded organisations after the 2005-06 budget process and transferred a number of Service Funding Agreements to lead agencies to ensure that each organisation only dealt with one ACT Government agency.</li> </ul> <p>The ACT Government will continue to investigate for opportunities to streamline compliance information requirements in the future.</p>
<b>Enhance Understanding and Communication</b>			
8	Develop a communication strategy for funding relationships. This may include identifying an agency relationship manager for each NGO with service funding agreements, to provide the agency's primary point of contact with the NGO regarding program issues.	Agreed	<p>The ACT Government Service Funding Agreement nominates the primary contact person for both Government and Community Organisations for each agreement.</p> <p>The centralised Grants and Contract Unit aims to foster enhanced communication and understanding between government funding programs and community organisations.</p>
9	Provide shared professional development opportunities across sectors.	Agreed	<p>The ACT Government will further investigate and progress professional development opportunities for both government officers and community organisations. The Department of Disability, Housing and Community Services is committed to intersectoral professional development. This is exemplified by a number of training and information opportunities that have occurred recently.</p> <p>The Collaborative Practice Workshops are an example of joint training opportunities aimed at challenging fragmentation across the government and non-government sectors and building on the strengths of the different areas.</p> <p>The "What About Me" forums have been very successful in engaging NGOs in conversations about issues which are critical to the safety and well being of children. Topics covered in these forums have included 'Enriching Engagement with Families' and working with 'Children and Families who Misuse Alcohol and Drugs'. The 'What About Me' forums have worked to build a common language and understanding about specific issues amongst both NGOs and government workers.</p>

10	Develop mechanisms to clearly delineate the agency role where there exists funding and delivery of services to the community.	Noted	The Government will explore purported conflicts of interest in its funding and service delivery role.
11	Institute a program to clarify and communicate the purpose of each piece of information required by agencies. This is to ensure that the agency and NGO both make effective use of the information being supplied to the agency. It will also minimise duplication and maximise consistency of requests for information across agencies.	Agreed	The Funding Managers Network recently revised and updated the funding tools to enhance consistency across government and streamline information requirements. The ACT Government will build on this process to develop a Funding Managers Guide for both Government and community agencies.
<b>Review Reporting</b>			
12	Review report timing and content and develop an agreed program of reporting with NGOs, with the aim of minimising reporting due dates in July and January.	Noted	Funding Managers recently reviewed reporting timeframes for consistency and agreed that community organisations community organisations are required to report on their activities in July and January of each year. Both parties are able to negotiate to alternate reporting periods on a needs basis.