



# YWCA Australia Submission

## *Development of governance standards* Consultation Paper

### February 2013

Thank you for the opportunity to make this submission about the development of governance standards for the not for profit sector.

#### **About YWCA Australia**

YWCA Australia is the national association of YWCAs in Australia and is part of the World YWCA movement. We are a women-led organisation that achieves positive change by providing advocacy, programs and services for women, families and communities.

YWCAs undertake advocacy and deliver services and programs that develop the leadership and collective power of women and girls, support individuals, their families and communities at critical times, and promote gender equality and community strengthening. YWCAs have been providing community services in Australia since the 1880s.

#### **A principles-based approach to governance**

YWCA Australia strongly endorses a principles-based approach to governance arrangements for the not-for-profit sector. Such an approach responds to the diversity of the sector while also recognising the considerable governance expertise that already exists in the sector. We congratulate the Australian Government for using a principle-based approach in this context.

We also strongly support the ACNC working with the sector to encourage and promote '**best practice**' governance over and above the minimum standards.

As a member of the World YWCA, YWCA Australia has a constitutional requirement to implement the World YWCA's *Standards of Good Management and Accountability (World YWCA Standards)*<sup>1</sup>, which incorporate the International NGO Accountability Charter. The World YWCA Standards relate to governance and management, using a self-assessed, principles based approach, much like that proposed in the ACNC discussion paper.

An example from the World YWCA Standards:

## **2. GOVERNANCE**

### **2.1 Legal Requirements**

**Standard: The association is legally registered according to the laws of the country.**

Indicators:

1. The association is registered and regularly submits the required reports to be in continued good standing as a non-governmental organisation.

<sup>1</sup> For more information see [www.worldywca.org/Member-Associations/Leadership-Toolkit/SGMA](http://www.worldywca.org/Member-Associations/Leadership-Toolkit/SGMA)

2. The association has a constitution. The constitution has been approved by the World YWCA and reflects the changes in the revised Constitution adopted at World Council 2007
3. The members of the governing body and the staff understand the requirements of the constitution.

## **Support for the draft standards**

As the Communities Council for Australia (**CCA**) said in their submission<sup>2</sup>:

*the description of the standards themselves within the governance standards consultation paper appears to effectively cover-off the existing provisions within the Corporations Act and relevant Associations Legislation.*

*When seen in the context of a self-assessed, principles based approach that allows for significant variations and proportionate responses from individual charities, CCA believes it is reasonable to expect most charities to have in place governance provisions addressing the ... six areas as outlined in the governance standards consultation paper.*

YWCA Australia supports the introduction of the proposed governance standards in their current form with one exception – that some of the excessively legalistic language is amended. In particular, terms such as ‘registered entities’ and ‘responsible entities’ are confusing and unclear, and need to be presented in plain English so that they are readily understandable.

## **Breaching the minimum standards**

We support the CCA’s position that the introduction to the standards should make clear that breaching the governance standards may result in an investigation and action by the ACNC.

## **Timing issues**

In our opinion, 18 months from the commencement of the governance standards to make any necessary changes (for example, to internal procedures), to meet the governance standards is an adequate amount of time. Four years to make changes to governing rules inconsistent with the standards is ample time.

## **More information**

Thank you for the opportunity to provide this submission. We would be happy to discuss any of the information provided in more detail.

For further information please contact:

**Alison Laird**, Policy Coordinator

**Dr Caroline Lambert**, Executive Director

YWCA Australia  
PO Box 1022 Dickson ACT 2602

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<sup>2</sup> Community Council for Australia, *Submission to the Treasury: Development of Governance Standards*, February 2013.