



Australian Government

# AUSTRALIAN CHARITIES AND NOT-FOR-PROFITS COMMISSION IMPLEMENTATION TASKFORCE



## Implementation Report

Prepared by: The Australian Charities and  
Not-for-profits Commission ACNC Implementation Taskforce



**Australian Charities and Not-for-profits  
Commission Taskforce  
Implementation Report**

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## ABBREVIATIONS

ACCC	Australian Competition and Consumer Commission
AAS	Australian Accounting Standards
AASB	Australian Accounting Standards Board
ABR	Australian Business Register
ACNC	Australian Charities and Not-for-profits Commission
AIS	Annual Information Statement
ASIC	Australian Securities and Investments Commission
ATO	Australian Taxation Office
CATSI Act	<i>Corporations (Aboriginal and Torres Strait Islander) Act 2006 (Cth)</i>
CLG	Company Limited by Guarantee
Corporations Act	<i>Corporations Act 2001 (Cth)</i>
COAG	Council of Australian Governments
DGR	Deductible Gift Recipient
NFP	Not-for-profit
ORIC	Office of the Registrar of Indigenous Corporations
PBI	Public Benevolent Institution
SBR	Standard Business Reporting
SCOA	Standard Chart of Accounts
TCC	Tax Concession Charity

## TERMS AND DEFINITIONS

Accounting standard	Accounting standard has the same meaning as in the <i>Corporations Act 2001</i> .
Australian Accounting Standards	Those accounting standards issued by the AASB ( <a href="http://aasb.gov.au/Pronouncements/Current-standards.aspx">aasb.gov.au/Pronouncements/Current-standards.aspx</a> ).
Charity	<p>A charity is an entity with a charitable purpose, as defined in common law and classified according to the Pemsell case (1891) under the heads of:</p> <ul style="list-style-type: none"><li>• relief of poverty;</li><li>• advancement of education;</li><li>• advancement of religion; and</li><li>• other purposes beneficial to the community.</li></ul>
Cooperative	A cooperative is a structure where the entity is owned, controlled and used by members. A cooperative can be either a trading or a non-trading entity and will face different legal requirements depending on type.
Deductible Gift Recipient (DGR)	<p>A DGR is an organisation that is entitled to receive income tax deductible gifts and deductible contributions.</p> <p>The majority of DGRs are endorsed by the ATO. The only DGRs that do not need to be endorsed are those listed by name in the income tax law. DGRs listed by name in the tax law include organisations such as Amnesty International Australia and the Australian Sports Foundation.</p>
Grant	<p>A grant is an arrangement for the provision of financial assistance by the Commonwealth:</p> <p>(a) under which public money is to be paid to a recipient other than the Commonwealth;</p> <p>(b) which is intended to assist the recipient achieve its goals;</p> <p>(c) which is intended to promote one or more of the Australian Government's policy objectives; and</p>



## TERMS AND DEFINITIONS (CONTINUED)

Grant (continued)	(d) under which the recipient is required to act in accordance with any terms or conditions specified in the arrangement.
Health promotion charity	<p>A health promotion charity is a charitable institution whose principal activity is promoting the prevention or control of diseases in human beings.</p> <p>The characteristics of a health promotion charity are:</p> <ul style="list-style-type: none"><li>• its principal activity is promoting the prevention or control of diseases in human beings, and</li><li>• it is a charity which is a charitable institution.</li></ul>
Incorporated association	<p>Incorporation Associations are governed by State and Territory legislation and hence vary with each jurisdiction. Generally, incorporated associations must have at least five members and can be formed for a specific purpose deemed eligible by the relevant jurisdiction. A management committee manages the incorporated association and it must hold an annual general meeting each calendar year. Legislation varies from general Associations Incorporations Act to individual Acts related to a particular institution.</p>
Indigenous corporation	<p>An Indigenous corporation is incorporated under the Corporations (Aboriginal and Torres Strait Islander) Act 2006 (Cth) and is regulated by the Office of the Registrar of Indigenous Corporations.</p>
Large charity	<p>A registered charity with income of \$1 million or more.</p>
Medium charity	<p>A registered charity with income of more than \$250,000 and less than \$1 million; or less than \$1 million with DGR status.</p>
National Compact	<p>National Compact: working together sets out how Government and the not-for-profit sector will work together to achieve common goals.</p>

## TERMS AND DEFINITIONS (CONTINUED)

Not-for-profit (NFP) entity	An NFP entity is an entity whose principal objective is not the generation of profit for distribution to members. This applies both while the entity is operating and when the entity winds up. An NFP entity can be a single entity or a group of entities comprising the parent entity and each of the entities that it controls.
Public benevolent institution (PBI)	<p>A PBI is an institution organised for the direct relief of poverty, sickness, suffering, distress, misfortune, disability or helplessness. The characteristics of a PBI are:</p> <ul style="list-style-type: none"><li>• it is set up for needs that require benevolent relief;</li><li>• it relieves those needs by directly providing services to people suffering them;</li><li>• it is carried on for the public benefit;</li><li>• it is non-profit;</li><li>• it is an institution, and</li><li>• its dominant purpose is providing benevolent relief.</li></ul>
Registered Entity	Registered entity means an entity that will be registered with the ACNC under the forthcoming <i>Australian Charities and Not-for-profits Commission Act 2012</i> .
Small charity	A registered charity with income of less than \$250,000.
Standard Chart of Accounts (SCOA)	The SCOA is an agreed list of account categories and a data dictionary for Australian governments to use when requesting financial information from NFP entities. Its objective is to simplify and improve consistency of financial reporting by NFP entities to Commonwealth, State and Territory government agencies.

## INTERIM COMMISSIONER'S FOREWORD

Engagement has been at the heart of the establishment of the Australian Charities and Not-for-profits Commission (ACNC). The Implementation Taskforce appointed by the Government in July 2011 to set up the ACNC has actively listened to the views of key stakeholders — sector, community, government. This has shaped the development of the ACNC's reporting framework, information portal and education and advice services.

Australians are passionate about the not-for-profit (NFP) sector and the contribution it makes to the health of the community and the quality of individual lives. Some of you have requested additional time to consider the roll out of the ACNC. The Assistant Treasurer, Hon David Bradbury MP, acknowledged the importance of working together with the sector when he announced on 17 March 2012 further time to consider and develop the governance standards for the ACNC and the implementation of financial reporting arrangements. The ACNC Taskforce has considered the implications of this extended timeframe within this *Implementation Report*.

The ACNC will concentrate on charities in its establishment phase with a view to minimising red tape and promoting public trust and confidence. While the ACNC will administer an Act, it will deliver a regulatory approach which recognises the altruistic motivations of charities and their contribution to our community, their general willingness to comply with their regulatory obligations and the diversity of the sector.

This *Implementation Report* follows internal ACNC Taskforce research and an analysis of views expressed in consultations and written submissions. It derives from existing Government announcements and exposure drafts of the legislation to establish the ACNC. Once the legislation is passed the Taskforce will issue a further *ACNC Implementation Plan Update*.

We in the ACNC Taskforce are keen to continue working with key stakeholders to create a responsive regulator for a critical part of the Australian community and economy.

Susan Pascoe AM  
Interim Commissioner and  
Head of ACNC Implementation Taskforce



## INTRODUCTION

### CONTEXT

The Australian Government has a broad reform agenda for the not for profit (NFP) sector. In its 2011-12 Budget, the Government announced a number of measures as part of its commitment to drive major reforms in the NFP sector to:

- deliver smarter regulation;
- reduce red tape; and
- improve transparency and accountability within the sector.

An overview of this integrated reform initiative is set out in Diagram 1.

A central element of the regulatory reform agenda is the establishment of a statutory office - holder (Commissioner) who will regulate charities. The new regulator, known as the Australian Charities and Not-for-profits Commission (ACNC), will protect and enhance public trust and confidence in the sector through increased accountability and transparency.

The ACNC is intended to be a one-stop shop for charities to streamline their regulatory and reporting interactions with government agencies. Key red tape reduction measures are intended. There will be the facility for registered charities to report once to the ACNC. Other government agencies will access information from the ACNC rather than repeatedly requesting it from the charities themselves. Further work will be done to clarify reporting requirements for individual charities so they are prepared for the revised reporting date of 1 July 2014.

The Government announced the creation of the ACNC in May 2011 and appointed an Implementation Taskforce to establish it. This followed the publication of the 2010 Productivity Commission Research Report, *Contribution of the NFP Sector*<sup>1</sup>, and a major consultation by Treasury to scope the role and functions of a regulator for the NFP sector. This culminated in Treasury's 2011 *Final Report on the Scoping Study for a NFP Regulator*.<sup>2</sup>

The ACNC Taskforce was formed in July 2011 to work with the sector and with government departments to create the new charity regulator. It has heard the views of key stakeholders in roundtables, conferences, consultations and written submissions in response to the Taskforce discussion paper. This *Implementation Report*, prepared by the ACNC Implementation Taskforce is the result of that sector engagement. An *Implementation Report Update* will be provided once the ACNC Bill is passed into law by the Australian Parliament. The ACNC will begin operation on 1 October 2012.

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1 Productivity Commission Research Report – Contribution of the NFP Sector – 11 February 2010.

2 Final Report on the Scoping Study for a NFP Regulator.

## THIS REPORT

This report provides information to the sector on the key action areas in the ACNC's regulatory approach. While the issues discussed in this report broadly affect the NFP sector, it relates only to registered charities (including public benevolent institutions and health promotion charities) reflecting the initial regulatory focus of the ACNC. It is the Government's intention that the ACNC's regulatory responsibility will grow over time to cover other NFP entity types.

This report outlines the functions of the ACNC, issues raised in sector feedback, and the means by which the ACNC will address these concerns. It seeks to:

- assist charities to prepare for registration and reporting;
- ensure this important sector can continue to play a critical role in Australia's future; and
- allow Australians to be confident that the sector is strong and viable.

Many in the sector see benefits in the reform agenda;

*With a proportionate and constructive regulatory approach we believe this regulator will provide critical underpinning to support the vital contribution the NFP sector makes to Australian civil society. This underpinning supports public (and government) trust and confidence in the sector which, in turn, helps charities and other NFPs achieve their mission.<sup>3</sup>*

*Australian General Practice Network supports, in principle, the Government's intent to reform the not-for-profit (NFP) sector's governance arrangements by establishing the Australian Charities and Not-for-profits Commission (ACNC), which will oversee and support all charitable and NFP entities under a national principles-based governance framework.<sup>4</sup>*

## SIGNIFICANCE OF THE NFP SECTOR

The NFP sector currently comprises around 600,000 entities and accounts for nearly 5 per cent of GDP, growing at around 8 per cent per year.<sup>5</sup> The NFP sector is second only to mining in relative growth terms.

The NFP sector makes a significant contribution to both the Australian economy and the community. It provides activities and services including health, social services, education, sport, arts, recreation and religious practices. The 56,000 charities play a vital role providing services and supporting more vulnerable community members.

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3 Written submission by PILCH Connect – 7 March 2012.

4 Written submission by Australian General Practice Network – 27 February 2012.

5 Productivity Commission Report Contribution of the NFP Sector, 2010, ATO data.

## THE GOVERNMENT'S REFORM AGENDA

The Government is aware of the high administrative and compliance obligations imposed on the sector and how these can prevent NFPs from focusing on their core mission. In recognising that current reporting arrangements for NFP entities are complex, ad hoc and lack consistency, the Government has encouraged its agencies to streamline and simplify their interactions with NFPs. The ACNC will be charged with working across Government agencies in the context of regulation to reduce unnecessary administrative requirements.

Red tape will be reduced when charities report just once to Government, via the ACNC, and when other Government agencies access that information from the ACNC. There will be a further reduction in the administrative requirements when charities can go to the ACNC website as the single portal that links them to a range of Government agencies such as the Australian Business Register (ABR) and the Australian Taxation Office (ATO).

The public will experience a measurable reduction in the effort required to find information on charities as this data will be consolidated in a single ACNC website. Further, they will be able to search online by categories, saving considerable time manually accessing and comparing information on individual charity websites. A further advantage is the confidence of knowing that the details are collected and published by a government agency under the law increasing reliability of the information.

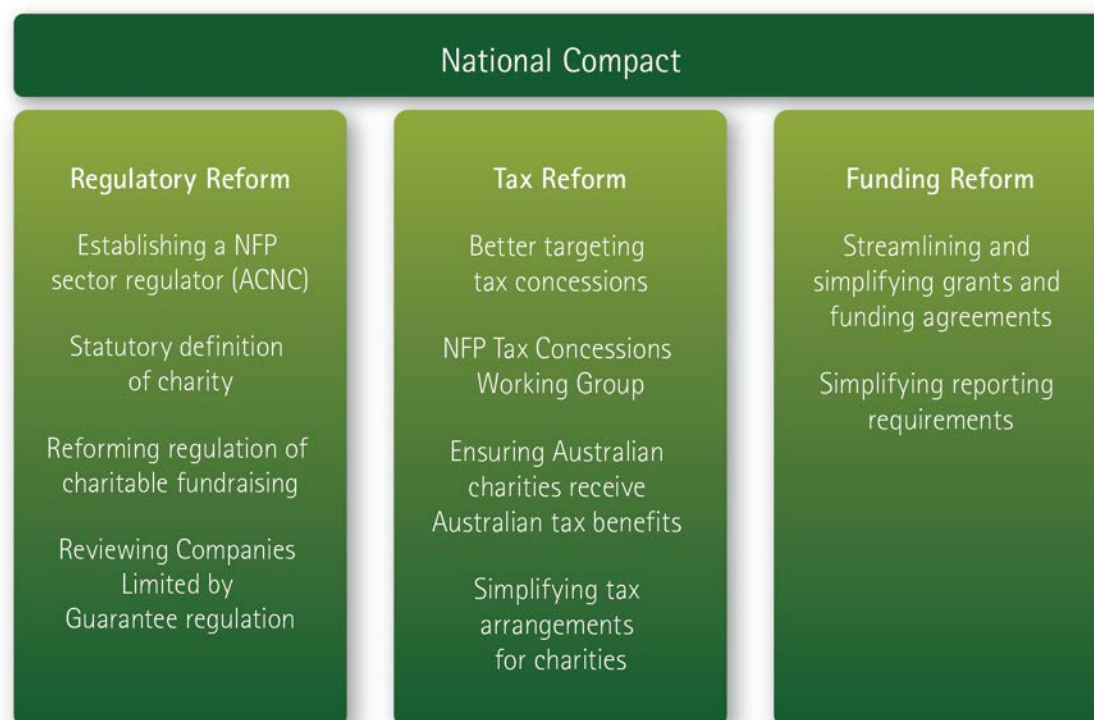
In partnership with Treasury, the ACNC will work across Australian Commonwealth Government agencies to identify regulatory and reporting duplication in order to streamline reporting requirements at the Commonwealth level. This work is aimed at rationalising the reporting required to the ACNC and to other Commonwealth agencies.

Treasury is working through the NFP Reform Working Group of the Council of Australian Governments (COAG) to negotiate aligning the ACNC reporting framework with existing state and territory reporting requirements. Involvement of the States and Territories will achieve the greatest red tape reduction for NFPs.

The broad reform agenda focuses on three areas (Diagram 1), as follows:

- undertaking regulatory reform (including establishing a new national NFP regulator);
- undertaking tax reform (including better targeting tax concessions for NFPs); and
- improving arrangements for government funding (including through grants).

**Diagram 1: Reforms to improve the long-term sustainability of the NFP sector**



## ACNC FUNCTIONS

The ACNC Commissioner, with the support of the ACNC and an Advisory Board, will administer the ACNC Act (refer Appendix A — ACNC Organisation Chart).

In the exposure draft of the legislation a core purpose of the ACNC is to, protect and enhance public trust and confidence in the not-for-profit sector for the benefit of the community. During the establishment phase, until 2014, the ACNC will focus only on charities. From 1 October 2012, the ACNC will be responsible for:

- registering entities as charities and subtypes of charities, including PBIs and health promotion charities;
- implementing a report-once, use-often general reporting framework for charities, with annual financial reporting to start from 1 July 2013 (see Chapter 3);
- establishing a one-stop shop public information portal by 1 July 2013; and
- providing education and support to the sector; and promoting sound governance through a compliance framework to maintain public confidence in NFPs.<sup>6</sup>

<sup>6</sup> Assistant Treasurer (10 May, 2011) 'Making it easier for charities to help those who need it' (<http://ministers.treasury.gov.au/DisplayDocs.aspx?doc=pressreleases/2011/077>).



## DESIGNING THE RIGHT REGULATORY APPROACH FOR THE ACNC

The ACNC Taskforce is committed to delivering best practice regulation and the ACNC will consult with stakeholders on its regulatory approach including:

- adoption of regulatory principles such as proportionality, transparency, fairness, timeliness and consistency to guide the development of its regulatory approach;
- an assumption of good faith and honesty, unless demonstrated otherwise;
- the use of graduated powers with opportunity for self-correction where appropriate;
- development of a credible information base and deep knowledge of the sector alongside a culture which prompts a supportive, proportional regulatory approach;
- engagement with key stakeholder groups on a regular basis and development of best practice standards for engagement; and
- provision of guidance materials and general advice services on its process of proportional regulation.

The ACNC Taskforce has commissioned Professor Valerie Braithwaite from the Australian National University to write a paper exploring good regulatory practice and how it might apply in the NFP sector. The paper will assist the ACNC in its approach to consultation with the sector, once the legislation to create the ACNC is passed. In developing the paper, Professor Braithwaite was asked to consider both how the new regulator can support the sector, and how it might deal with non-compliant charities. The Taskforce is considering a stance of responsive regulation that is proportionate but recognises that enforcement is sometimes necessary to protect the community.

The ACNC Taskforce is keen to consider a regulatory pyramid of support and compliance for the sector which starts with education, guidance and advice services and moves gradually towards sanctions for the minority of charities who do not comply.

**Diagram 2: Regulatory pyramid of support and compliance**



The ACNC will engage actively with stakeholders on its proposed regulatory approach to ensure it recognises and respects the nature of the sector, meets the intention of government in creating the ACNC, and achieves its goal of being a fair but firm regulator.

In time, the ACNC may have regulatory responsibilities for other non-charity NFP entities. Consideration is still being given to when, and in which order, other categories of NFPs might be brought within the regulatory scope of the ACNC.

An effective regulatory approach will enable the ACNC to address its regulatory objectives such as red tape reduction and increased public confidence in the sector.

The strong sector support over many years for the establishment of a regulator lays a promising foundation for NFPs to voluntarily meet their reporting and compliance obligations.

The ACNC will develop service standards and report on these in its annual report to Parliament. Consistent with its proportional regulatory approach, it will equip charities with the information and tools to manage their compliance obligations and reduce the need for the ACNC to intervene. The ACNC will provide information and guidance to enable charities to

meet their obligations while also retaining the capacity to apply appropriate sanctions for serious or wilful non-compliance.

Information will be provided on the ACNC's regulatory framework to encourage charities to improve their governance practice. Timely guidance materials will support these outcomes and be developed with feedback from the sector.

The ACNC will consult further on the following five regulatory principles:

- *Proportionality.* The ACNC will ensure that the obligations it imposes on charities reflect the size and the nature of their activities. The structure and culture of the ACNC will support its regulatory approach, which will vary in proportion to the severity of the non-compliance by applying, where appropriate, graduated powers and providing opportunities for self-correction.
- *Transparency.* The ACNC will explain requirements in plain English, set out clearly what it expects from charities, and will make all decisions in accordance with the law in a fair and impartial manner. It will report annually to Parliament against service standards and other key performance indicators.
- *Fairness.* The ACNC will be impartial and reasonable. There will be a presumption of honesty unless demonstrated otherwise, applying principles of natural justice and procedural fairness balanced against the need to protect the public from serious or wilful non-compliance.
- *Timeliness.* The ACNC will provide guidance and advice in time for charities to understand their obligations and respond accordingly. It will respond to applications for registration, inquiries and complaints in a reasonable time period. It will operate under service standards which enable charities and the public to anticipate the turnaround time for their interactions with the regulator.
- *Consistency.* The ACNC will ensure people in similar circumstances or with similar issues are treated consistently within the framework of its legislation and the regulatory approach taken.

The ACNC will refine its regulatory approach in light of legislation and good regulatory practice. It will seek the input of the sector in designing its regulatory approach. The ACNC Taskforce will develop a discussion paper which will form the basis of focussed consultation with stakeholders later in 2012.

*[W]e welcome [t]he commitment to a regulatory approach that is governed by regulatory principles of proportionality, transparency, fairness, timeliness, and consistency; recognising that non-compliance largely results from lack of knowledge or capability and begins from a presumption of honesty; [and] employs a proportionate approach to its powers but employs a tough approach where appropriate.<sup>7</sup>*

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7 Written submission by University of Melbourne – 23 February 2012.

*Consumers Health Forum of Australia supports the approach the ACNC's regulatory and reporting responsibilities as outlined in the Discussion Paper. The use of graduated regulatory powers and the provision of opportunities for self-correction is appropriate in a sector that often relies on limited resource and faces priorities that compete with regulatory requirements.<sup>8</sup>*

## KEY ACTION AREAS

Five key action areas (below) will underpin the ACNC's functions. Development and implementation of the action areas will be guided by the ACNC values and principles. This report addresses the action areas in separate chapters. Cost-cutting measures such as red tape reduction and establishing the regulatory approach have been addressed in Chapter 1 and will be drawn upon through the following chapters.

### Chapter 2: Registering entities

The ACNC will register entities as registered charities and the information will be used to populate the searchable database.

### Chapter 3: Developing a reporting framework (report-once, use-often)

The ACNC will adopt a reporting framework, incorporating the report-once, use-often charity passport which aims to minimise regulatory duplication and simplify interactions with the Commonwealth Government. Red-tape will be cut when charities report once to the ACNC and other Government agencies access that information from the ACNC, instead of requesting the same information from charities multiple times.

### Chapter 4: Going online (one-stop shop)

Red tape will be further cut when charities can use the ACNC website as the single portal that links them to a range of government agencies. Likewise the public will be able to more easily access and use information on registered charities, consolidated on the ACNC public information portal.

### Chapter 5: Helping charities and the public (guidance and education)

Helping charities understand their obligations by providing guidance, general advice and education underpins good governance, accountability and transparency. The ACNC will publish information on the Australian charity sector and provide information on individual charities. Online guidance will help NFPs meet their regulatory obligations in a timely way. Information about NFPs will help improve public and government understanding of the contribution NFPs make to the Australian community and economy.

### Chapter 6: Engaging with Stakeholders

Stakeholder engagement is a crucial element of the ACNC's regulatory approach. Much of this *Implementation Report* is in response to written submissions to the Taskforce Discussion

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8 Written submission by Consumers Health Forum of Australia – 21 February 2012.

Paper, *Australian Charities and Not-for-profits Commission: Implementation Design* issued on 9 December 2011. In addition, the Taskforce received substantial input from the 1,600 attendees at its community consultations. This substantial contribution has shaped the rationale and design of the ACNC Implementation Plan (refer Appendix G).

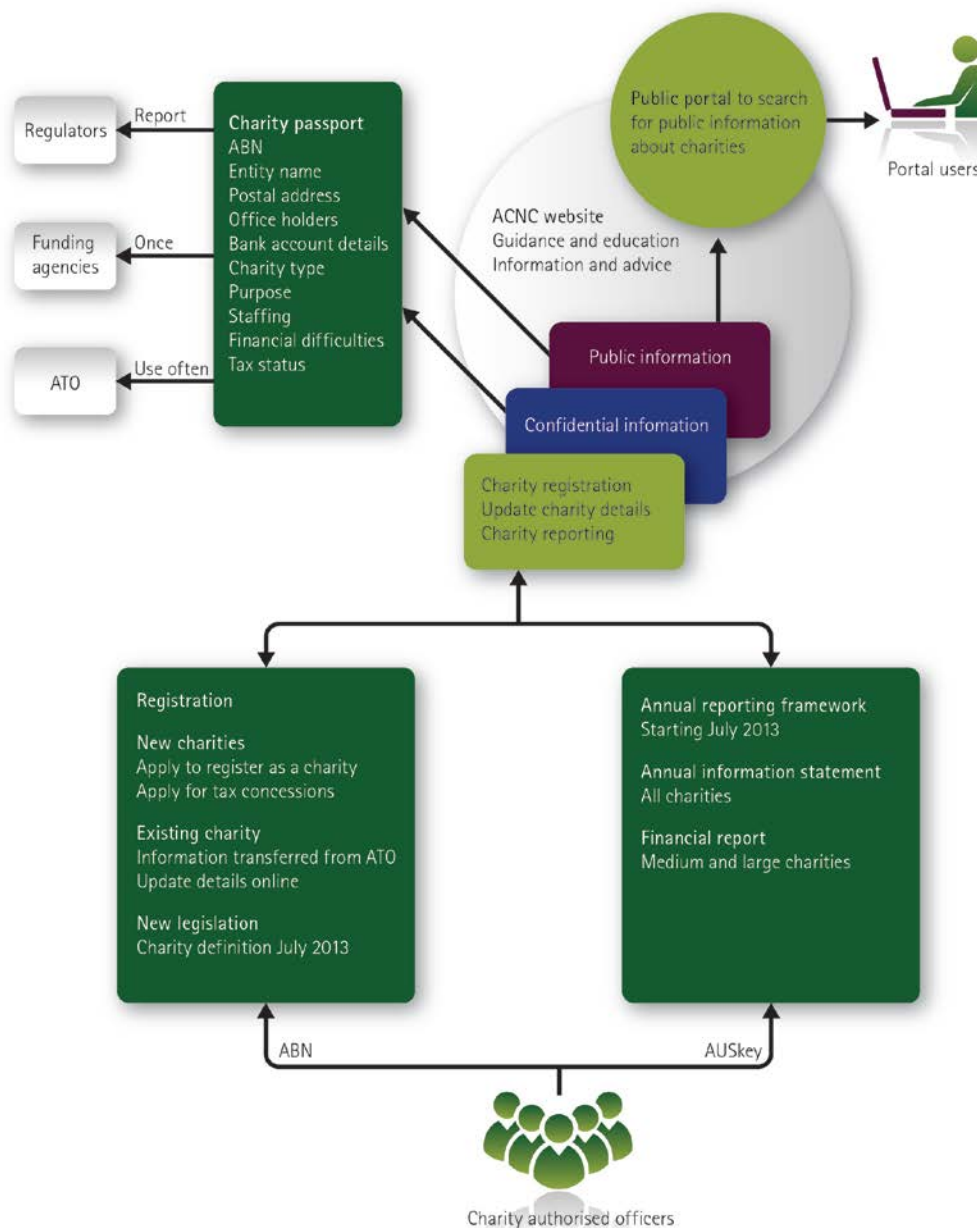


# CHAPTER 1

## ACNC overview

The following diagram (Diagram 3) provides an overview of information flows between the ACNC and stakeholders. Information provided by charities will be stored on the ACNC website, which will then act as a portal both for the general public and for authorised government agencies that have need of the information.

**Diagram 3: Information flows in and out of the ACNC**



## ACNC RATIONALE

The ACNC will work to oversee a simplified and streamlined regulatory framework for not for profit entities, to support and sustain a robust, vibrant, independent and innovative Australian NFP sector.

Members of the public develop relationships with charities as donors and beneficiaries. They want to know that charities operate according to their stated purpose, prudently manage their finances and have good governance arrangements. The ACNC portal will contain financial and governance information on individual charities to assist donors, grant-makers, researchers and interested community members learn more about charities from a trustworthy source.

The registration process will determine the charitable status of an entity which will then be passed to the ATO for consideration of taxation benefits.

A charity registered with the ACNC will demonstrate transparency about financial viability and integrity to the public. Charities can also take advantage of the register for their own purposes and use it to benchmark and promote their activities. The ACNC will provide education and support to help charities continue to meet ongoing registration and reporting requirements.

The remainder of the report details the key action areas for ACNC. Feedback from peak bodies and charities provided invaluable assistance in developing the regulatory approach.

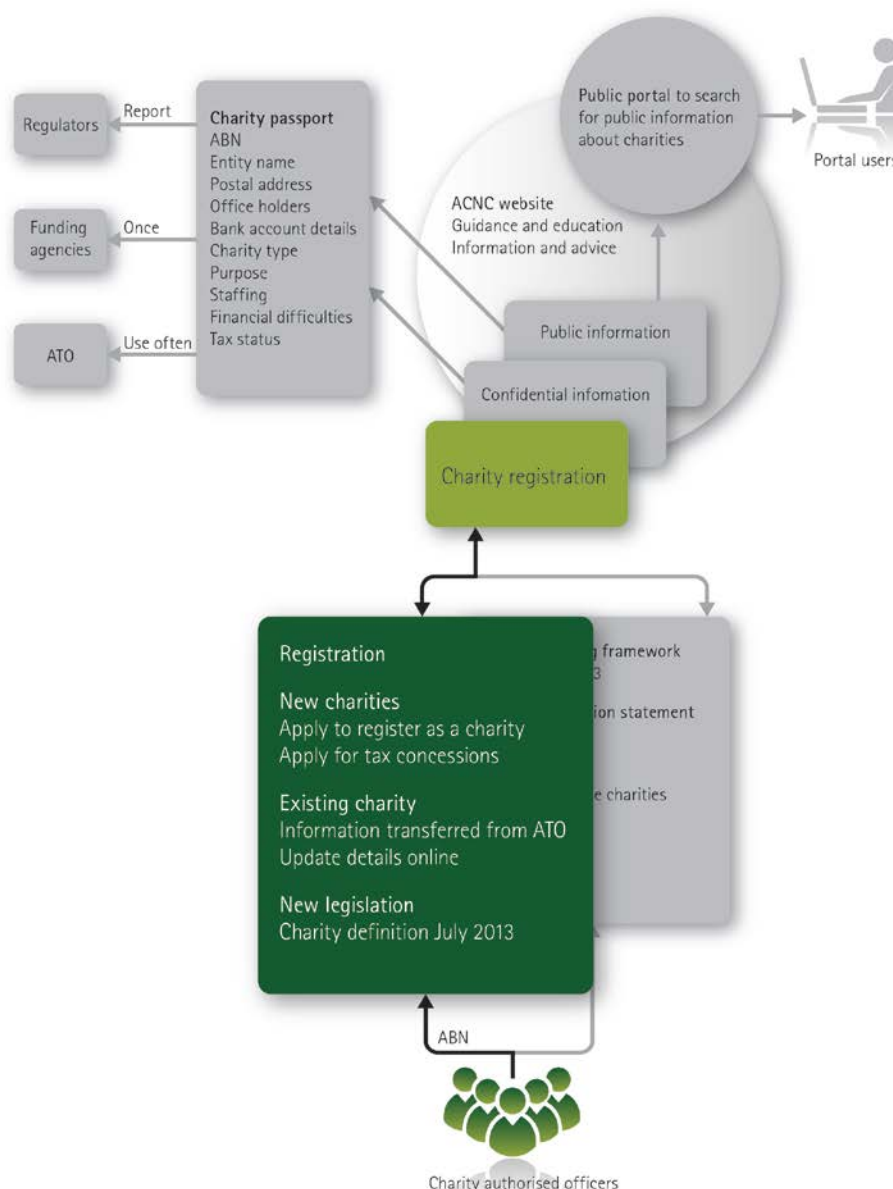


# CHAPTER 2

## Registering entities

The following diagram (Diagram 4) provides an overview of information flows between the ACNC and stakeholders with a focus on the registration function. Organisations that want to register as a charity (including PBIs and health promotion charities) will be able to apply online. The details of existing charities will be transferred to the ACNC from the ATO. Longer term registered charities will be able to update their details online.

**Diagram 4: Registration of entities by ACNC**



## ACNC FUNCTIONS

Registration will be a principal function of the ACNC as it is a prerequisite for charities to access taxation benefits and other concessions or benefits from the Commonwealth. It also provides core information to populate the ACNC public information portal. The registration of charities will play a critical role in meeting the ACNC's objectives.

## CONSULTATION

Support for this reform is widespread. Establishing an independent, principles-based regulator is recognised as an important step forward.

Some feedback highlighted the importance of having clear information about registration and being able to deal with a diverse sector. This feedback included the need to allow for charities unable to access the internet or systems of online communication and where computer literacy is limited. The ACNC recognises this and will ensure that a paper application will be available where an applicant is unable to use the online process.

The law will specify registration requirements. The online application will guide applicants and provide electronic links to additional guidance on the ACNC website. The website will contain guidance for entities wishing to apply to register as a charity. This guidance will also be available in paper format.

Some stakeholders indicated that a change in the definition of charity might exclude them from registration. In developing a definition of charity, the Government is looking at the existing common law definition as the basis for reform taking into account recent decisions by the courts. This modernising of the definition of charity responds to a call for clarity in the law and ensures the definition meets the diverse needs of contemporary Australia. The ACNC will provide guidance so charities can understand the statutory definition once it has been enacted. Further information on the statutory definition can be found at [www.treasury.gov.au](http://www.treasury.gov.au) (search not-for-profit reform).

Consultation with the sector identified support for the proposed registration requirements and the collection of data through the registration application. Concerns from the sector focused on the publication of some the information required and stakeholders identified circumstances in which some details provided by charities should not be made available on the public portal. Transparency is a fundamental principle of the reform and reflects the social contract between charities and taxpayers that fund the various benefits charities receive. However, the ACNC recognises there are circumstances where withholding information from the portal is appropriate and the draft ACNC legislation provides the Commissioner with the discretion to limit publication in certain circumstances.

*Disclosure should be required to serve the interests of transparency to the public and accountability to the members and to the regulator.<sup>9</sup>*

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9 Written submission by Our Community Pty Ltd – 5 January 2012.

## REGISTRATION PROCESS

Until 30 September 2012 the ATO remains responsible for determining whether an entity is a charity as part of assessing access to tax concessions.

This will change on 1 October 2012 when the ACNC becomes responsible for determining the charitable status of, and registering those entities seeking registration. This change delivers on the 2011-12 Budget announcement creating the ACNC Commissioner as an independent statutory officeholder. It separates two key roles: the ACNC role of determining whether an entity is a charity and the ATO role of assessing access to tax concessions.

## KEY ACTIONS FOR REGISTRATION

The ACNC will:

- accept new applications for registration online: the application will cover the information required for both the determination of charity status and the information required by the ATO to be able to determine access to relevant tax concessions. Where an applicant is unable to use the online application process, a paper form will be available;
- provide a charity's registration information to the ATO where the applicant has indicated on their application that they wish for the ATO to endorse them for access to tax concessions;
- maintain a public information portal providing charity information for the public, the sector, and government; and
- provide the sector with guidance on the registration process.

The ATO will:

- transfer basic charity information on existing charities to the ACNC by 1 October 2012: existing charities endorsed by the ATO as tax concession charities will be automatically registered with the ACNC from 1 October 2012 removing the need to re-register; and
- accept the ACNC's determination of charitable status but retain responsibility for assessing eligibility to access Commonwealth tax concessions.

## STATUTORY DEFINITION OF CHARITY

The Government announced that on 1 July 2013, a statutory definition of charity will apply for all Commonwealth purposes. Until the new statutory definition comes into force, the registration of charities will continue to be based on the current common law definition of charity (as affected by a number of statutory adjustments).

The new statutory definition will incorporate common law principles of charity. The definition will provide a clear framework for both the public and regulatory agencies to recognise entities as charitable, and increase certainty for the sector. At that time, the ACNC will

assess new applications against the new definition and start to review the existing register of charities.

## THE BENEFITS

Benefits include:

- For the first time an online register will contain information about a charity's purposes, activities, governance and finances for the public to access. Some of the information collected at registration will be displayed through the searchable register and information portal. Over time, existing charities will be able to provide additional information about their entity and some of this information will appear in the register. This transparency is important to maintain confidence in the sector and provide information that reflects the critical role charities play in the economy and the lives of Australians.
- Donors will be able to use the register information to make informed choices about charitable giving and volunteering. Researchers can access a rich resource of sector information for study and analysis and the register will provide information that is useful to Australian governments in the development of public policy.
- Charities can use the register to attract support for their goals and activities, and in this way further develop trust and confidence in themselves and the sector.
- Baseline information will be used to achieve the key goal of a charity passport of validated information to reduce the number of times charities provide the same information to different government agencies (see Chapter 3). All charities will complete the same registration form regardless of their size.
- Only registered charities will be eligible for tax and other concessions or benefits provided by the Commonwealth. Registration is voluntary.

*Philanthropy Australia welcome the fact that searchable and sortable aggregated data on the sector will be made available, as the lack of this information has made the task of researcher and peak bodies far more difficult in identifying gaps and duplication, ascertaining the total size and scope of the sector, and promoting giving.<sup>10</sup>*

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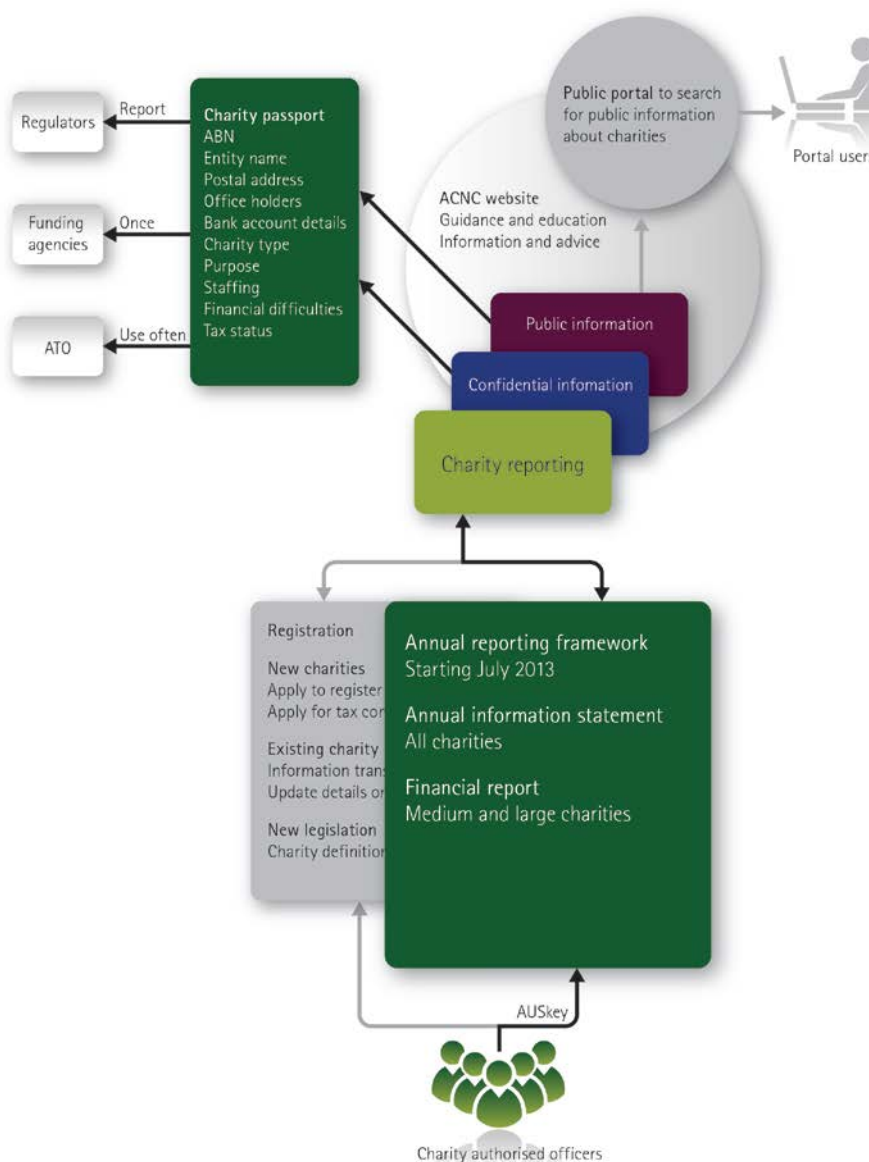
10 Written submission by Philanthropy Australia – February 2012.

# CHAPTER 3

## Developing a reporting framework (report-once, use-often)

The following diagram (Diagram 5) provides an overview of ACNC information flows between the ACNC and stakeholders with a focus on the reporting framework and the charity passport. When the reporting framework is introduced, charities will be able to lodge their annual information statements and financial reports online. The charity passport will combine some information from the reporting framework and the registration process to meet baseline corporate and financial reporting requirements for authorised government agencies.

**Diagram 5: The ACNC reporting framework (report-once, use-often)**



## REPORTING FRAMEWORK

On Thursday 17 May 2012, the Government announced<sup>11</sup> a staged approach to implementing certain aspects of the ACNC regulatory framework. This will allow further time to consult on the financial reporting framework which will now commence on 1 July 2013, with the first financial reports for medium and large registered entities to become due for lodgement after 1 July 2014 (relating to the financial year ended 30 June 2014 or substituted accounting period where applicable).

This staged approach has been taken to allow organisations to transition to the new regulatory framework; allow for additional consultation with the sector; and allow time for additional guidance and information to help charities with financial reporting requirements. Accordingly, more information on these requirements will be available for charities following further consultation.

Charities will still need to provide information to the ACNC upon registration and then annually in the form of an annual information statement. The first annual information statement will collect non-financial information only. Charities will start lodging these statements from 1 July 2013 for the 2012-2013 year.

Lodgement of the annual information statement will predominantly be done online; however, paper forms will be available for charities unable to lodge electronically.

Certain information from the annual information statement will be incorporated into the charity passport.

While not compulsory, registered charities will still be able to lodge their financial reports or annual reports with ACNC from 1 July 2013 if they wish to have these included on the public information portal. There are no specifications for the form of those reports during the voluntary lodgement year.

### What is not in the reporting framework?

The ACNC will act as a central repository for financial and governance information from charities. The ACNC will be working with other Commonwealth and State and Territory agencies to develop the report-once, use-often reporting framework.

In the meantime, charities will need to continue to meet their current state and territory financial reporting requirements. The Government is working closely with states and territories, the COAG NFP Reform Working Group, to minimise or reduce regulatory duplication.

Guidance on reporting requirements will be provided to charities in time to enable them to meet their reporting obligations.

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<sup>11</sup> Joint media release the Hon David Bradbury MP and the Hon Mark Butler MP on 17 May 2012 'Staging the Introduction of regulatory reform for the not-for-profit sector'.



## BENEFITS

*The Final Report of the Scoping Study for a Not-for-profit Regulator* found that existing reporting arrangements for the NFP sector are ad-hoc, uncoordinated and complex, imposing a significant administrative burden on NFP entities.

Consultations revealed overall support for the Government's vision of reduced duplicative reporting requirements for charities through the adoption of a report-once, use-often reporting framework. The main benefits of implementing such a reporting framework are:

- an incremental reduction in the reporting burden over time for charities by implementing a report-once, use-often (charity passport) model;
- increased transparency and accountability of charities through centralised information available to the public via the ACNC public information portal;
- standardised reporting requirements and comparable financial information; and
- greater alignment of accounting taxonomies (discussed below).

## THE FIRST ANNUAL INFORMATION STATEMENT (2013)

Charities will provide information to the ACNC annually in the form of an annual information statement. The first annual information statement will be used by the ACNC to collect non-financial information only, with a view to this expanding to include financial information in future reporting periods and following further consultation on financial reporting aspects.

Submissions were supportive of the ACNC collecting non-financial reporting information from charities to accompany the financial information that they would provide.

There was strong support for charities to add narrative to the reporting requirements, including the ability to add context around any financial reporting, and upload annual reports to the public information portal.

It is intended that charities will provide information on how they have pursued their main purpose in the last 12 months, and who currently benefits from the charity's activities. Medium and large charities will also be asked to provide information on how they will pursue their main purpose in the next 12 months.

Medium and large charities will also be asked to provide information on staff and volunteer numbers giving stakeholders further insight into the size and makeup of a charity.

The following table is an indicative list of the non-financial information that may be collected in the first annual information statement, which may be subject to change.

Charities will have the option to lodge with the ACNC on a voluntary basis their annual or financial reports for the 2012- 2013 financial year (or substituted accounting period where applicable).

**Table A — Non-Financial Reporting fields**

	Small tier	Medium tier	Large tier	Information type
1. What is your ABN?	✓	✓	✓	#
2. What is the registered entity's year end-date for financial reporting purposes?	✓	✓	✓	Date
<i>Main purpose</i>				
3. How did your charity pursue its main purpose in the last 12 months?	✓	✓	✓	Free-entry
4. How will your charity pursue its main purpose in the next 12 months?	Optional	✓	✓	Free-entry
5. Who currently benefits from your charity's activities?	✓	✓	✓	Free-entry
<i>Staff</i>				
6. Number of employees <sup>12</sup> working for this registered entity during the last pay period of the registered entity's last year for financial reporting purposes.	Optional	✓	✓	#
7. Number of volunteers <sup>13</sup> who assisted this registered entity during the last year for financial reporting purposes.	Optional	✓ ✓	✓ ✓	# #
8. Number of members that your registered entity has (where applicable)	✓	✓	✓	#
<i>Document upload</i>				
9. Ability to upload Annual Report <sup>14</sup>	Optional	✓	✓	Upload

## CHARITY PASSPORT

The ACNC will continue its work to develop and implement the charity passport. The charity passport is a set of data that charities report once to the ACNC to meet the baseline corporate and financial reporting requirements of Australian Government agencies. The charity passport will be electronically available to authorised Commonwealth Government agencies through the ACNC information portal. The charity passport will only be provided to authorised Government agencies to assist in red tape reduction due to the confidential nature of some of the information, such as bank account details.

12 Employees are persons for whom PAYE tax was deducted by this registered entity and include; persons paid a retainer, wage or salary; managerial and executive employees; employees absent on paid or prepaid leave; employees on workers' compensation who continue to be paid through the payroll; and supported employees with disabilities. Employees excludes persons paid by commission only; non-salaried directors; self-employed persons such as consultants and contractors who are not employees, working proprietors or partners of this registered entity; and volunteers. Source: Australian Bureau of Statistics – Community services survey non-government 2008-09.

13 A volunteer is someone who willingly gives unpaid help, in the form of time, service or skills, to this registered entity. It includes persons receiving honoraria; persons receiving out-of-pocket expenses; volunteers who sit on boards of management; and volunteers who are members of fundraising committees. A volunteer is not a person that receives a retainer or wages and salaries from the registered entity. Source: Australian Bureau of Statistics – Community services survey non-government 2008-09.

14 The Financial Report may be contained within the registered entity's annual report and the registered entity has the option of uploading its annual report.



The Charity Passport will:

- contain data from a variety of sources including registration details, annual reporting, certain data on existing charities sourced from the ATO on 1 October 2012 (see Chapter 2), and other documents lodged with the ACNC;
- provide for standardised data that charities report once to the ACNC to meet the reporting requirements of other Commonwealth Government agencies;
- be confidential and provided only to authorised government agencies, on a need-to-know basis; and
- be grouped as a *passport* of information and passed electronically to Commonwealth departments through the ACNC information portal.

The ACNC will work with agencies towards national adoption of the charity passport:

- at the Commonwealth level — through the Reducing Regulatory Duplication Working Group — any new arrangements will be formalised through Memoranda of Understanding between the ACNC and Government agencies; and
- at the State level — through the Council of Australian Governments (COAG) NFP Reform Working Group.

Although there was overall support in submissions for implementing report-once, use often reporting through a charity passport, many warned that the formation of the ACNC risks increasing reporting for some charities, at least in the short term. Many submissions identified the participation of other levels of government as the main challenge for implementation, including:

*[T]he ACNC also has the potential to simply add another layer of reporting requirements for charities if Federal and State and Territory Government legislation and reporting requirements are not harmonised.*<sup>15</sup>

*[The Institute of Chartered Accountants in Australia (ICCA) argued that the success or failure of the Charity Passport was dependent on] the ACNC being able to achieve agreement across jurisdictions with a view to agreeing informational requirements and the acceptability of the Standard Business Reporting (SBR) portal.*<sup>16</sup>

Some school associations raised the concern that the ACNC initiative overlaps with the work of the Australian Curriculum, Assessment and Reporting Authority which collects a wide range of school data, including financial data, and makes it publicly available through the My School website.<sup>17</sup>

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15 Written submission by Association of Australian Medical Research Institutes – 27 February 2012.

16 Written submission by The Institute of Chartered Accountants in Australia – 27 February 2012; also the Australian Catholic Bishop's Conference – 27 February 2012.

17 Written submission by Australian Council of Jewish Schools – 27 February 2012.

The Government's recent announcement of transitional reporting arrangements is in recognition of the adjustment period that is needed before certain reporting requirements are set. The ACNC will continue to work with other Government agencies at the Commonwealth, State and Territory levels, to help ensure the aim of reducing red tape is met.

Grant acquittals will still require separate reporting by charities, at least for the time being, outside of the information contained within the charity passport.<sup>18</sup> Many submissions commented that efforts to reduce the burden of funding acquittal requirements would provide large benefits to charities.

The ACNC will have an ongoing role in modifying the charity passport to handle changing reporting requirements of government agencies. As the charity passport evolves to meet the needs of Government agencies, balancing accountability and transparency with red tape reduction will continue to be a significant challenge.

## DATA INTEGRITY

The integrity of the data collected by the ACNC will be considered in a risk management context. The ACNC regulatory framework should provide Australian Government agencies with appropriate assurance about the integrity of the data contained in the charity passport, eliminating the need for additional validation of this information. The framework will be broadly premised on and include:

- the presumption of honesty on behalf of charities unless demonstrated otherwise;
- the provision of guidance to raise awareness of reporting requirements; and
- a risk-based framework with proportional compliance responses.

## CONSULTATION ON ASPECTS OF FINANCIAL REPORTING

While the timing for the financial aspects of the ACNC's reporting framework have been extended, it is important to recognise that the feedback received by the ACNC Taskforce as a result of consultations and written submissions raised a number of issues relating to financial reporting. The following matters relating to financial reporting were raised in roundtables, consultations, forums and written submissions and are discussed in greater detail in the following sections:

- alternative accounting periods;
- Standard Chart of Accounts and Standard Business Reporting Taxonomies;
- activity-based financial reporting; and
- special or general purpose financial reports.

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<sup>18</sup> As noted in the ACNC Taskforce Discussion Paper.

## ALTERNATIVE ACCOUNTING PERIODS

A repeated concern during consultations was whether the ACNC Commissioner would allow a charity to report against an alternative accounting period.<sup>19</sup> The off-peak fees or pro-bono services offered by accountants and auditors to charities outside of the normal financial year is attractive to many charities.<sup>20, 21</sup>

Further, many charities adopt a calendar year or seasonal reporting basis, or vary reporting because of program requirements.

Informed by community feedback, the Government is currently considering the policy settings relating to alternative accounting periods in the ACNC legislation.<sup>22</sup>

## STANDARD CHART OF ACCOUNTS AND STANDARD BUSINESS REPORTING TAXONOMIES

The discussion paper proposed the alignment of the financial elements of the annual information statement with both the Standard Chart of Accounts (SCOA) and Standard Business Reporting (SBR) taxonomies. SCOA and SBR are data dictionaries, which provides for standardised definitions of financial information:

- SCOA was specifically developed for charities and not-for-profit entities by the Queensland University of Technology's Australian Centre for Philanthropy and Nonprofit Studies. Use of SCOA has been accepted by all Australian governments for the purposes of reducing the regulatory and administrative reporting burden on the NFP sector.<sup>23</sup>
- SBR is an Australian Government initiative which streamlines business to government reporting through their SBR enabled accounting/payroll software.

Given the importance of both SCOA and SBR to the ACNC's long-term vision, many respondents encouraged the continued development and refinement of SCOA, and alignment between the SCOA and SBR.<sup>24</sup>

SCOA and SBR are approximately 90 per cent aligned, and work is currently underway for full alignment. Both SCOA and SBR are designed to work within the framework of Australian Accounting Standards.

Some submissions indicated that charities would need time to adapt their accounting systems in order to report information in accordance with SCOA.

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19 The draft ACNC legislation provides the ACNC Commissioner with the ability to approve an alternative accounting period outside the financial year ending 30 June.

20 Written submission by Surf Life Saving Australia – 27 February 2012.

21 Written submission by Philanthropy Australia – 16 February 2012.

22 Exposure Draft – Australian Charities and Not-for-profits Commission Bill 2012.

23 In April 2010, the Council of Australian Governments agreed that all governments would develop and implement a National SCOA by 1 July 2011, in order to reduce the regulatory and administrative reporting.

24 Written submission by the Australian Accounting Standards Board – 27 February 2012; Written submission by PILCH Connect – 7 March 2012.

*Many charities will not currently have the facility to readily produce this information in accordance with the Standard Chart of Accounts. This may mean these entities will need to significantly modify their internal reporting mechanisms and we feel this may not be able to be achieved within a timeframe to allow for accurate reporting for the financial year 2012-13.<sup>25</sup>*

Aligning the financial information requested by the ACNC with the SBR taxonomy will enable the ACNC and charities to take advantage of SBR technology to transmit data. However, some submissions highlighted that the adoption of SBR technology will require whole of government, for example:

*We strongly support the use of SBR in this process, although recognise the challenges it will entail getting agreement and support from the various departments of key requirements.<sup>26</sup>*

To ensure consistency and comparability, it is proposed that financial reporting data will be collected according to SCOA definitions. During the transitional period work will continue to maintain SCOA, to align it to Australian Accounting Standards and to align SBR with SCOA. The ACNC will provide guidance about the progress and development of these matters.

## ACTIVITY-BASED FINANCIAL REPORTING

Many submissions to the ACNC discussion paper questioned accounting 'by activity', including administration costs, costs of service provision and fundraising expenses.<sup>27</sup>

Submissions highlighted problems associated with collecting information about administration costs and costs of service provision due to the lack of common or consistent accounting definitions leading to invalid or misleading comparisons, and by activity reporting lacking the support of some accounting systems.<sup>28</sup>

While SCOA definitions exist for fundraising expenses, they vary between States and Territories — reflecting the differing information requirements of fundraising regulators. Treasury is currently leading discussions with the States and Territories on charitable fundraising regulation reform.

Work is currently underway by the Australian Accounting Standards Board (AASB) on service performance reporting information. The ACNC will work closely with the AASB in the development of guidance for the sector.

## SPECIAL OR GENERAL PURPOSE FINANCIAL REPORTS

Many submissions sought further clarity about whether financial reports required to be prepared by charities and lodged with the ACNC would need to be 'general purpose' financial

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<sup>25</sup> Written submission by Grant Thornton – 23 February 2012.

<sup>26</sup> Written submission by the Institute of Chartered Accountants Australia – 27 February 2012.

<sup>27</sup> Written submission by Movember – 23 February 2012.

<sup>28</sup> Written submission by Dr Ted Flack – 23 January 2012.

reports (which apply all applicable Australian Accounting Standards), or 'special purpose' financial reports (which may only apply some Australian Accounting Standards).

Many submissions advocated that charities be allowed to submit special purpose financial reports (in contrast to the more rigorous general purpose financial reports) under the new ACNC financial reporting framework.

In line with the Assistant Treasurer's announcement on 17 May 2012, the first financial reports required to be lodged with the ACNC will now be due from 1 July 2014 (or substituted account period where applicable). The ACNC will continue to work with the sector regarding suitable financial reports and will provide relevant guidance in this regard.

These details will be developed further in consultation with the sector. Further information on the financial framework will be made available.

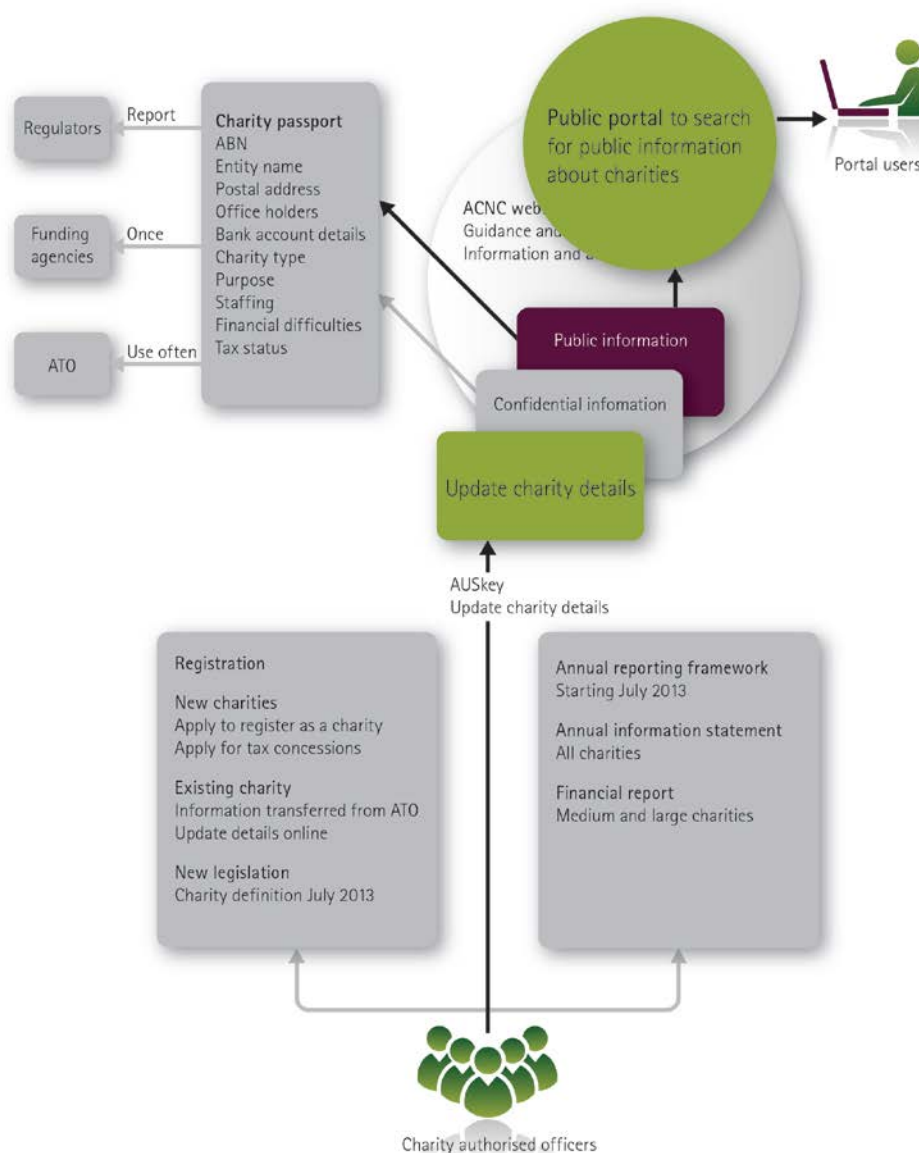


# CHAPTER 4

## Going online (one-stop shop)

The following diagram (Diagram 6) provides an overview of information flows between the ACNC and stakeholders with a focus on the public information portal. The public information portal will be a searchable register of Australian charities. Public users will be able to find out about individual charities and compare charity information. Charities will be able to logon and update their details from 2013. The ACNC will launch its new website on 1 October 2012 at [www.acnc.gov.au](http://www.acnc.gov.au)

**Diagram 6: The ACNC going online**



## ACNC WEBSITE

The ACNC website [www.acnc.gov.au](http://www.acnc.gov.au) will replace the ACNC Taskforce website and contain information for both charities and the public. Useful information for charities will include:

- how to register and the online registration form;
- how to apply for an AUSKey and an Australian Business Number;
- how to apply for Australian Government tax concessions;
- guidance on future reporting requirements;
- guidance material on what is a charity, and on what is a PBI; and
- information that is useful for starting or running a charity.

Online information of value to the public, donors, volunteers, funding agencies, academics and others will include:

- a searchable register that identifies all charities registered with the ACNC;
- general information for the public on the number, size, activities and reach of charities; and
- in time, aggregated data on registered charities in Australia.

The website will be compliant with the latest Web Content Accessibility Guidelines. There is no fee for charities to use the portal, or to register or lodge reports.

## ACNC PUBLIC INFORMATION PORTAL

The public information portal will be accessible via the website by July 2013 and will enable charities to:

- update their own information, such as a change of officeholder; and
- submit their annual information statement and attach relevant documents, such as their annual report or latest governing rules.

The public will be able to search the public information portal for details about charities including:

- individual charities governance structures, purposes, activities, contact details and annual reporting information;
- search for details on the activities of a particular charity; and
- search for details on a range of similar charities and their collective impact.



The public information portal will provide a high level of transparency for the sector and visibility for individual charities that do not have an existing online presence.

The public information portal will be hosted on a secure website that meets Australian Government security requirements. Charities' details that are not intended to be publicly accessible will not be displayed on the portal. These will only be available to authorised Government agencies in the course of their duties.

The ACNC information portal will provide reported information to government agencies with responsibility for ensuring taxpayers funds are appropriately spent, and much of this information will also be available to the general public for their own information, research and reassurance.

## CONSULTATION

Stakeholder feedback on the establishment of the ACNC public information portal generally supported the functionality and purpose.

*[We are] supportive of online reporting or registration provided that the systems used are compatible ..., easily accessible and user-friendly.<sup>29</sup>*

There is considerable recognition of the value that ACNC online services will provide to all sectors of the community. However, there is concern that the reporting requirements will impose a burden, particularly on smaller charities. The Government announced transition arrangements, including that financial reporting will not be required until July 2014 which will give all charities an additional 12 months to adapt to the new requirements.

A large number of respondents suggested ways that the ACNC could assist charities to meet their reporting obligations. These suggestions particularly focussed on the need for clear online instructions; training and support that is broadly available on and offline; and paper based alternatives to the online processes.

Feedback from stakeholders seeking clarification on a number of complex issues was grouped into four key areas:

- the level of transparency required by the ACNC and access for exemptions to the publication of a charity's data;
- accessibility to computer equipment and level of computer skills;
- information privacy, system security and current difficulties with the AUSKey; and
- provision and use of public information.

The Government has made its position clear on many of these matters and these are discussed below. However there are some outstanding issues that are under consideration in

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<sup>29</sup> Written submission by Amnesty International – 27 January 2012.

the forthcoming ACNC legislation and will be dealt with in a further *ACNC Implementation Plan Update*.

## Transparency and exemptions to publication of information

The ACNC will support public trust and confidence in the charitable sector in part through greater accountability and transparency. The ACNC will only collect information it needs to authenticate a charity's integrity, to streamline its communication with government and to provide information to the public. Feedback from respondents identified general support for the proposed registration and reporting requirements, including the ability to seek an exemption to the display of a charity's information in valid circumstances. This exemption can be sought at the point of registration but will be granted, at the Commissioner's discretion, only when a strong case for exemption has been made. For example, a women's refuge could ask that its address and the names of officeholders not be displayed in order to protect personal safety.

Public access to information on charities will be diminished if large numbers of exemptions are granted. The ACNC will provide guidance on its website on the grounds and application process for exemptions to the public provision of information on individual charities. This will be clarified in a further *ACNC Implementation Plan Update*.

## Accessibility

A lack of computer hardware, IT skills or technology maintenance skills may limit the ability of some stakeholders to communicate with the ACNC via the public information portal or to access information provided on the website.

Some stakeholders will experience accessibility challenges and the ACNC Taskforce is committed to a multi-channel strategy to mitigate any barriers. This includes:

- a phone help and general advice service to answer stakeholder questions and assist them in learning how to navigate the portal and website;
- timely plain-language information on the website to support the use of the portal;
- compliance with the latest Web Content Accessibility Guidelines (WCAG 2.0). This supports the use of screen readers, includes software that reads website content aloud to the end user, and provides a low screen resolution option for users with slow download speeds;
- provision of interpreters as required; and
- forms and guidance material provided in paper format when necessary.

## Information privacy and system security

The ACNC can only collect the information it needs to fulfil its functions under the legislation. Some information on private individuals is sought for verification purposes and will not be published on the portal. To ensure the security of charity information:

- the public information portal will be hosted on a secure website that meets Australian Government security requirements. Private verification details and exempt information will not be displayed on the public portal and will only be available to government agencies with the appropriate authorisation;
- the person completing an application for registration will be required to declare that they are authorised by the applicant entity to give the information to the Commissioner. Penalties may be imposed for giving false or misleading information; and
- in the initial phase (to July 2013) charities will be able to update their details via an online form or by requesting a paper version of the form. When the details are received by the ACNC, the identity of the individual providing the information will be checked against the charity's authorised contact person(s) details held by the ACNC. When necessary, ACNC staff will also contact the entity to seek further verification.

In the first year of operation, the ACNC will introduce AUSkey as its online authentication tool. AUSkey is the single key to access government online services. A charity can use their AUSkey to lodge reports to the Australian Taxation Office (ATO), the Australian Securities and Investments Commission (ASIC) and all state and territory revenue offices.

From July 2013 AUSkey will allow charities to verify their identity and log onto the portal to update their details directly and, from 2014, lodge reports through SBR-enabled<sup>30</sup> business and accounting software. The ACNC will provide guidance for charities on developing internal policies about the management of AUSkey so the charity can ensure internal identity security.

## Provision and use of public information

Some stakeholders were concerned about how data available on the information portal might be interpreted or used by the public to create 'league tables'. The ACNC recognises the risk presented by the availability of charity data on the portal and will take the following steps to limit those risks:

- identify limits on the comparability of data from different charities;
- work with the media and researchers to make clear the utility and limitations of the data on the portal, including identifying comparisons that are not suitable; and
- provide clarity on the purpose of the regulator and the scope of its jurisdiction.

The ACNC will work to ensure that transparency and privacy considerations are balanced.

## THE BENEFITS

Use of the portal by charities will reduce the time, cost and complexity in the registration and reporting process.

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<sup>30</sup> ACNC will work with software developers to include the AIS into key SBR enabled accounting software. In time, this will allow charities using this software to submit their financial reporting automatically.

Online registration and reporting will build a body of data that will benefit the sector by allowing the public, researchers and policy makers to better understand the work done by charities, their impact and the barriers they face in achieving their purposes. Aggregate information on the sector will be published at regular intervals.

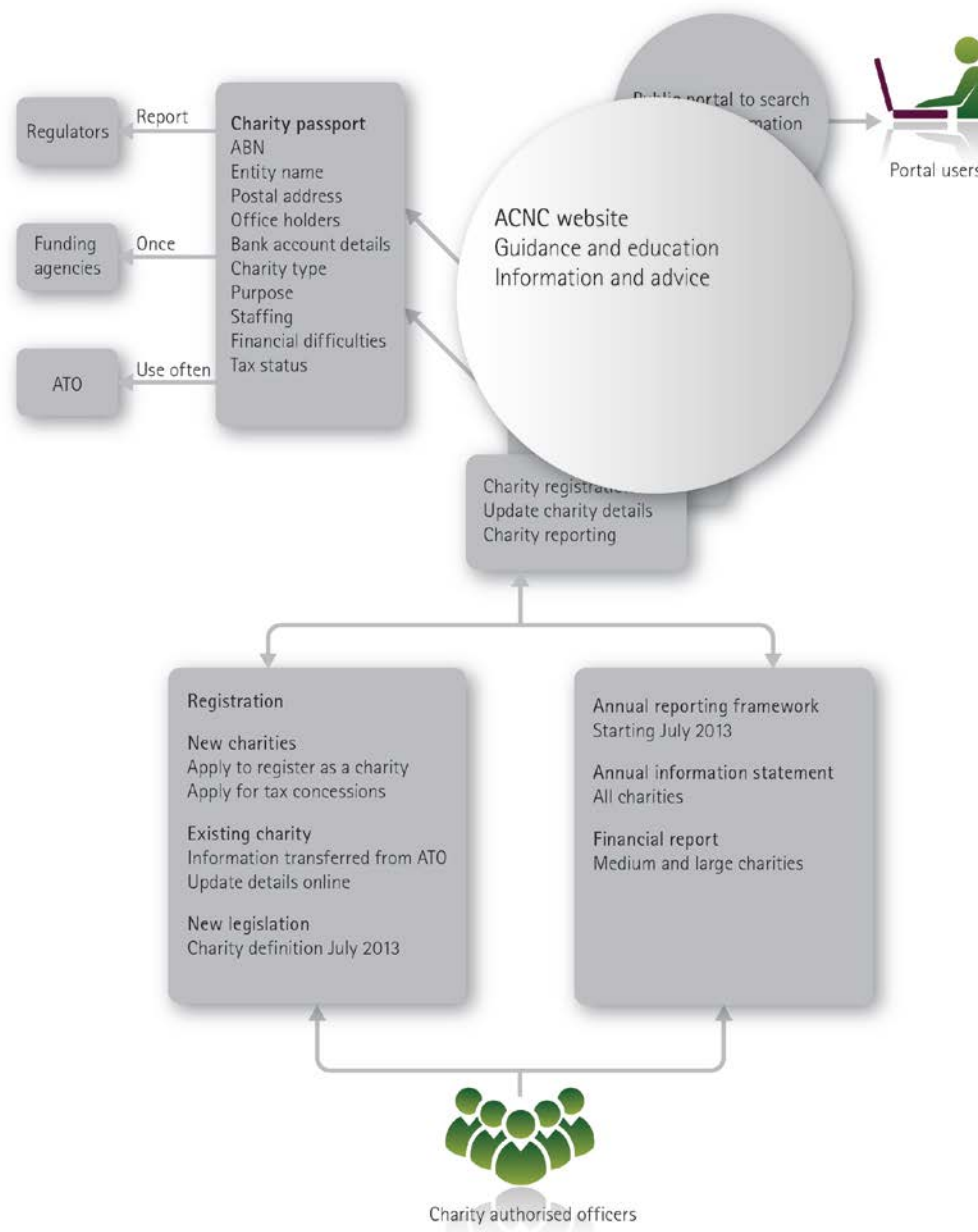
Ongoing development of the public information portal will be a collaborative process incorporating user feedback in the design process. The provision of guidance material will support the sector and features such as online registration, reporting and charity information updates will keep the sector, the public and policy makers up to date.

# CHAPTER 5

## Helping charities and the public (guidance and education)

The following diagram (Diagram 7) provides an overview of information flows between the ACNC and stakeholders with a focus on the guidance and education section of the website. The website will become a content rich source of guidance and education material for charities and users interested in charities, supported by a telephone advice service.

**Diagram 7: ACNC Guidance and education information and advice**



## GUIDANCE AND EDUCATION FRAMEWORK

The ACNC will provide timely information and guidance for charities on registration, reporting and the implications of the statutory definition of charity (expected to commence from 1 July 2013).

General information on the number, size, activities and reach of charities will also be provided for the public, donors, researchers, grant-makers and Government agencies. Aggregate information on the composition and size of the sector and ACNC compliance levels will be provided annually as the database of information grows from registration and reporting.

## OUR APPROACH TO GUIDANCE AND EDUCATION

The ACNC will use an approach that recognises the following:

### **Diversity**

- differentiating between the needs of small, medium and large charities, those in remote and urban locations, those with volunteer and paid staff, and so on;
- prioritising the delivery of material according to different stages, activities and administrative arrangements, including IT infrastructure;
- acknowledging the range of activities and services that charities undertake and provide; and
- catering to the needs of culturally and linguistically diverse groups.

### **Accessibility**

- communicating guidance and information free of charge in accessible language, specifying legal requirements and required responses;
- tailoring modes of delivery to meet the needs of people facing barriers to access, such as people with a disability;
- providing guidance and information materials online in a variety of modes such as print, audio and audio-visual, as well as a phone service; and
- ensuring all guidance materials are available in a variety of formats.

### **Timeliness**

- providing materials in time to assist in compliance with reporting periods.

## Efficiency

- avoiding the duplication of guidance and other supporting materials already provided free of charge by others;
- working collaboratively with professional and peak bodies, educational institutions and others to jointly develop resources, where appropriate, in line with the principles in the National Compact between the Australian Government and the NFP sector; and
- forming effective partnerships with professional and peak bodies, education institutions, service providers and regional bodies (like local libraries or local councils) to reach those responsible for managing and advising charities.

In its guidance and education materials, the ACNC will seek where appropriate to clearly distinguish what is a legal requirement (for example, will be a breach of the ACNC Act if it is not met) and what is good practice (desirable but not mandatory).

## CONSULTATION

Respondents to the community consultations and discussion paper were generally very positive about the provision of general information and guidance to charities. It was recognised that this would assist charities in understanding the regulatory changes.

Many respondents made suggestions about how these services should be offered by the ACNC. A few raised issues regarding the exact scope of the ACNC's education role and the modes by which guidance and education should be delivered. Some respondents discussed whether the ACNC should endorse materials provided by others.

These issues are discussed below.

### Scope of ACNC guidance and education role

There was overwhelming support for a prominent and well-resourced education role for the ACNC. It was emphasised that compliance will not be achieved if the office holders and staff of charities do not clearly understand their legal and regulatory obligations. Clear guidance materials will support the sector's understanding and compliance with their legal obligations. Over time this will, protect and enhance public trust and confidence in the Australian charity (and NFP) sector.

It is generally recognised the ACNC will not be the advocate for the NFP sector<sup>31</sup>. That role appropriately belongs to peak and professional bodies. This was accepted by most respondents.

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31 This point was also made by the Productivity Commission in its research report: '... the Commission does not see a role (for the Regulator) in sector development, where states and territories have traditionally been active': Productivity Commission (2010, January) Contribution of the Not-for-Profit Sector, Research Report at p117.



*We acknowledge that the ACNC advised 'it cannot be an advocate' for the industry. That being said we believe the ACNC can still play an educator role for the industry for the public, for example, educating on the distinctions between the numerous categories of charities as drafted in the legislation.*<sup>32</sup>

The ACNC's primary education role will be to ensure that charities understand their obligations. Generally respondents urged this approach.<sup>33</sup> Some cautioned that the ACNC avoid providing professional advice:

*We do not believe that it is appropriate for a regulator to provide legal, accounting, governance or other professional advice to entities that it regulates.*<sup>34</sup>

The ACNC will also have an important role explaining to the public what the ACNC is about and how people can access and understand information held by the ACNC on charities. A frustration with always being asked to put information 'in' to government without getting information 'out' was heard. One benefit of establishing the public information portal that is populated with annually updated information is that, for the first time, there will be a Government body that can provide an annual 'snapshot' of the size, nature and state of the (registered) Australian charitable sector.

## Modes of delivering education and guidance

There was consistent feedback that ACNC guidance materials and resources must be freely available in a variety of formats, and in accessible language with graduated depth of information. The guidance materials should distinguish between legal requirements and good practice and be mindful of the particular needs of some groups.<sup>35</sup>

There were many written submissions and comments at the community consultations that a telephone advice service needs to complement online guidance material, especially for those without internet or computer access.<sup>36</sup> A telephone service will be provided by the ACNC and is discussed below.

Many requested that face-to-face training be incorporated as a component of the ACNC education strategy, operating in conjunction with sector peak bodies, professional associations and education providers.<sup>37</sup> The ACNC will not be able to deliver face-to-face training across Australia. However, ACNC staff will, as part of its start-up phase, deliver a series of information sessions in 2012-13 to help build awareness of its online and other support services. The ACNC will develop materials that can be used by sector peak bodies,

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32 Written Submission by Campbell Page – 27 February 2012.

33 Written Submission by Amnesty International – 27 January 2012; Written Submission by National Disability Services – February 2012; Written Submission by Australian Business and Community Network – 21 February 2012; Written Submission by Grant Thornton Australia – 23 February 2012.

34 Written submission by Pitcher Partners – 27 February 2012.

35 Written submission by Services for Australian Rural and Remote Allied Health (SARRAH) – 22 February 2012; Written submission by the Australian Conservation Foundation – 27 February 2012.

36 Written submission by PricewaterhouseCoopers – 2 March 2012; Written Submission by Surf Life Saving Australia – 27 February 2012.

37 Written submission by YMCA Australia – 27 February 2012.



professional associations and education providers to deliver face-to-face training tailored for their particular groups.

### The timing of the ACNC's guidance and education materials

Guidance materials will be provided in timeframes which enable entities to meet their obligations to the regulator. In particular, the release of guidance materials will be 'in time' for each key stage of the rollout of ACNC requirements: for example threshold questions will be covered in materials before 1 October 2012. Additional materials about registration will be added to the website in time for the ACNC's commencement, and material will be available prior to the reporting period for the first annual information statement.

### ACNC endorsement of material provided by others

There is sector support for the ACNC partnering with existing service providers, peak bodies and professional associations to leverage existing materials and advice services. This will encourage consistency, reduce confusion, build on knowledge and increase sector engagement.<sup>38</sup>

However, there are mixed views as to whether the ACNC should endorse materials or services provided by other bodies. The ACNC is mindful of the potential for actual or perceived conflict of interest, and the need for ongoing monitoring of the quality of endorsed products and services.<sup>39</sup>

The ACNC will provide links on its website to entities that provide free, high quality information and advice relevant to the conduct of charities, but will not formally endorse these organisations or any specific material or products. The ACNC will consider collaborating with external parties for example, a national peak body, professional association or academic institution to jointly develop 'co-branded' materials where appropriate.

The ACNC will provide guidance and information required by charities to meet their ACNC regulatory obligations and will not duplicate services or general information freely and competently provided elsewhere.<sup>40</sup>

## OTHER MATTERS RAISED DURING CONSULTATION

### Engaging with the sector

A large number of the submissions noted that the ACNC's success will depend on its ability to engage with the sector to understand and tailor its approach to best suit the sector's education and support needs.<sup>41</sup>

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38 Written submission by the St Vincent de Paul National Council – 27 February 2012; Written submission by the Australian Dental Association – 27 February 2012.

39 Written submission by Dr Ted Flack – 10 January 2012; Written submission by Endeavour Foundation – February 2012; Written submission by Aid for the Blind (QLD) Inc – 17 January 2012.

40 Written submission by FamilyCare – 29 February 2012.

The ACNC's regulatory approach will include sector engagement. It will establish a consultation forum as a means of ongoing sector engagement and two-way dialogue (See Chapter 6).

### Balancing support and regulation

Clear, well-targeted guidance will support the capacity of the sector to understand and meet their regulatory obligations — good quality guidance and information services underpin high levels of compliance.

### Minimising compliance costs

While effective regulation should bring benefits, compliance can be costly to individual charities. To assist in minimising the potential compliance costs, registration with the ACNC and all guidance and information will be free of charge.

### Considering the needs of specific groups

ACNC products and services will be sensitive to the specific needs of:

- Aboriginal and Torres Strait Islander users;
- people with disabilities;
- non-English speaking users;
- those with low literacy levels;
- rural and remote charities; and
- charities that are smaller and operate on a volunteer basis.

### ATO role and the ACNC role

While the ACNC will have responsibility for the determination of charitable and PBI status, the Commissioner of Taxation will retain responsibility for administering tax concessions for the NFP sector.

There will be a clear demarcation between the ATO and ACNC guidance material to ensure clarity for the sector, but the ACNC and ATO will work together to ensure their respective materials are aligned and do not leave any information gaps.

### ADVICE SERVICES

The ACNC Taskforce recognises that in addition to producing guidance and education material it is necessary to give one-to-one general advice to charities and the public on a

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41 Written submission by FamilyCare – 29 February 2012; On-line survey completed Dan Gleeson, Manager, Membership and Operations, Centre for Excellence in Child & Family Welfare – 27 February 2012; Written submission by Anglicare Warrnambool – 14 March 2012.

range of issues. These include registration, reporting requirements, governance and reporting a concern about how a charity is operating. The ACNC will have a multi-skilled advice services team that will respond promptly and expertly to queries whether these are through the web, by phone, by e-mail or by post. The advice services team will provide a single point of contact for anyone wishing to contact the ACNC. Charities will have access to interpreting services and the 1300 number will be charged at local call rates. If charities or the public need assistance in using any of the ACNC's online services we will support them to do so.

The ACNC will use the information gathered through its advice services to inform its guidance and education material and the frequently asked questions (FAQs) section on its website. This will ensure that it is addressing the needs of charities and the public and that guidance remains responsive and relevant.

The ACNC Taskforce recognises that many small charities are run entirely by volunteers and that the legal and regulatory framework is complex. The ACNC role will be to make it easy for them to comply with their obligations. The advice services team will pay particular attention to meeting the needs of smaller groups, those in remote locations, and those with barriers to full engagement.<sup>42</sup>

*... it will be small community organisations that will need most in terms of education and advice from the new ACNC. Grassroots, local, volunteer-reliant NFPs have very limited access, if any, to professional services (such as lawyers and accountants) who can advise them on compliance and regulatory issues.*<sup>43</sup>

The advice services team will include two Indigenous liaison officers.

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42 Small and Rural Charities – Making a Difference for Canadians 2008.

43 Written submission by PilchConnect – 7 March 2012.



# CHAPTER 6

## Engaging with stakeholders

### INTRODUCTION

The ACNC Taskforce conducted a comprehensive program of consultation with the public, the sector, and government representatives. Effective consultation is a stated objective of the Taskforce, and is an important element of the Government's strategy to implement sustainable NFP reform, consistent with the National Compact.<sup>44</sup>

The goal of the Taskforce's engagement strategy was to allow stakeholders of all backgrounds and locations to contribute to the establishment of the ACNC to ensure that it is a robust regulator and reflects the needs of the sector.

The Taskforce used a three-stage process of sector engagement, coordinating roundtable meetings, one-on-one meetings with key sector representatives, an online forum, a discussion paper and Australia-wide community consultation meetings. While the discussion paper submissions and community consultation meetings were used as primary sources of feedback, all sector feedback has been considered in the development of the *ACNC Implementation Plan* at Appendix D.

### FIRST STAGE

The first stage of sector engagement focussed on informing the sector and the public of the work of the Implementation Taskforce. The Taskforce conducted research and analysis to develop its understanding of the regulatory context of the sector. The Taskforce also received comprehensive briefings from Treasury, the Office for the Not-for-Profit Sector, the Australian Taxation Office, Commonwealth funding providers, sector regulators, some State and Territory Government Departments and sector representatives on the subject.

In October 2011 the Taskforce website ([www.acnctaskforce.treasury.gov.au](http://www.acnctaskforce.treasury.gov.au)), YouTube channel ([www.youtube.com/acnctaskforce](http://www.youtube.com/acnctaskforce)) and contact email were established to provide stakeholders access to information about the proposed reforms and provide the public with a direct means of contact. There are approximately 3000 subscribers to the website who receive regular updates on the work of the Taskforce.

### SECOND STAGE

During the second stage of engagement the Taskforce shared its understandings and research on regulatory matters and sought input from key stakeholders through invitational

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44 Assistant Treasurer (2011, 10 May) – Making it easier for charities to help those who need it [Press Release].

roundtable meetings in November 2011. Following these meetings, stimulus papers and summaries of the meetings were made publicly available on the website.

Roundtable meetings were held on the topics of governance reporting, financial reporting, the information portal, and education strategy. The roundtable meetings generated issues and ideas for input into the discussion paper on ACNC Implementation Design. A list of roundtable attendees can be found at Appendix C.

### THIRD STAGE

The third stage of sector engagement invited structured sector feedback, through the release of the discussion paper, community consultation meetings and an online forum. The discussion paper was released for public comment on 9 December 2011. It was informed by feedback received in the first two stages of engagement. There were 122 submissions received in response to the discussion paper (see Appendix B).

Face-to-face community consultation meetings were held in all Australian capital cities and Townsville from 30 January to 13 February 2012. Two sessions were reserved for Aboriginal and Torres Strait Islander communities. The community consultation meetings were promoted in local media and provided the opportunity for local communities to discuss ACNC proposals and related sector reforms.

Feedback from the attendee surveys circulated at the community consultation meetings indicated that charitable and not-for-profit entities of all sizes, in addition to consultants, peak bodies and individuals were represented. The schedule of community consultation meetings and approximate attendee numbers can be found at Appendix C.

In January 2012, the Taskforce established an online forum through a Facebook page ([www.facebook.com/acnctaskforce](http://www.facebook.com/acnctaskforce)). This enabled the Taskforce to communicate directly with stakeholders spread as far afield as Hervey Bay (Qld), Ballarat (Vic), New Norfolk (Tas) and Invernell (NSW). It also enriched the relationship between the Taskforce and the sector, with 38 per cent of Facebook page views referred by external parties, internet search engines, ProBono Australia and other sector peak bodies.<sup>45</sup>

The Taskforce has engaged with key stakeholders at their request and spoken at forums and conferences when invited. These sessions have provided further opportunity for the Taskforce to hear the views of the public and key stakeholders. (A list of stakeholder meetings and conference presentations is provided at Appendix C.)

### KEY THEMES

The sector expressed general support for the ACNC proposals in submissions and at community consultation meetings. The online forum tended to encourage more diverse and less formal feedback.

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<sup>45</sup> Approximately 62 per cent of Facebook views referred by the website (<http://acnctaskforce.treasury.gov.au>), April 2012.

Submissions to the discussion paper came from a diverse range of community, sector, professional and government bodies. While some respondents answered all stimulus questions, others addressed those of interest to them, or provided more generic responses. The analysis below is an aggregation of responses to questions from the Discussion Paper. The submissions can be found at [www.acnctaskforce.treasury.gov.au](http://www.acnctaskforce.treasury.gov.au).

## ONGOING ENGAGEMENT

A key consideration of the ACNC's regulatory approach is to know the sector it regulates, and to understand the expectations of the community for the conduct of charities. This knowledge and understanding will grow as it builds the first consolidated data set on the NFP sector in Australia. Annual snapshots of the sector will be provided to the public on the website.

The ACNC will establish regular meetings with key stakeholders. This will be discussed with interested individuals and groups when the ACNC Taskforce releases a stimulus paper on its regulatory approach in the coming months. These meetings will provide a vehicle for the sector to raise matters with the regulator and for the regulator to seek sector views. Advice on ongoing sector engagement will be provided in a further *ACNC Implementation Report Update*.

The ACNC Advisory Board will meet in major centres across Australia and the ACNC will conduct community forums associated with those meetings. These meetings will provide the opportunity for the ACNC to hear directly from the broader community.

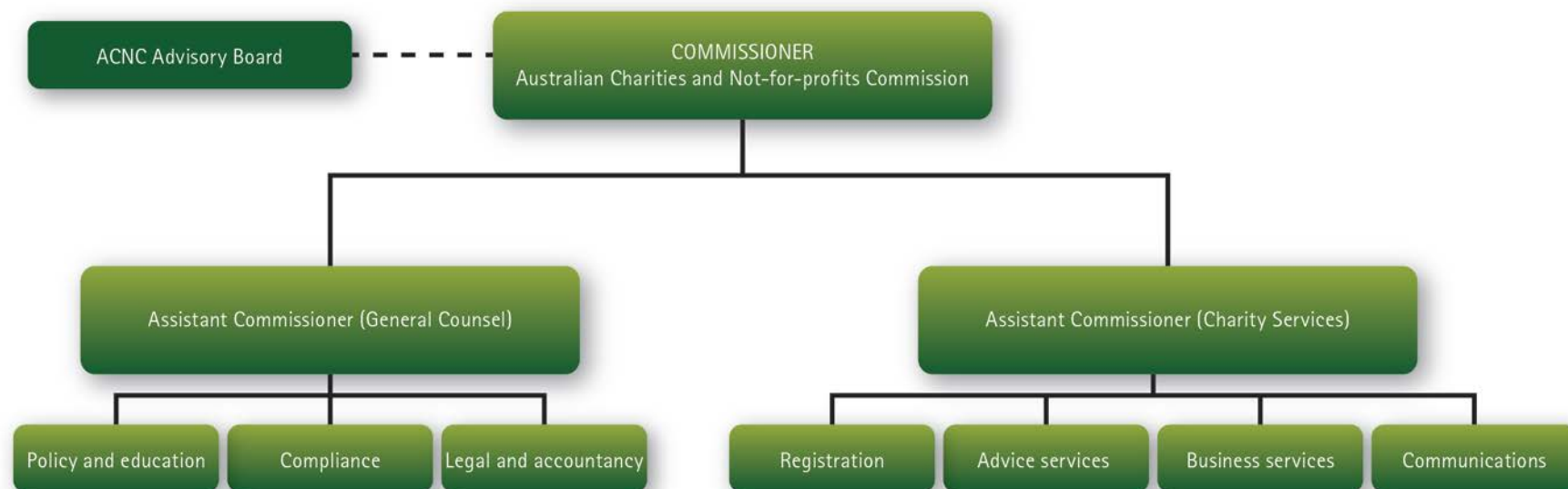
The ACNC's phone advisory service will provide a daily means for charities and members of the community seeking general advice or raising concerns.

The ACNC's regulatory principles will guide its engagement with the NFP sector, other stakeholders and members of the community.





## APPENDIX A — ACNC ORGANISATIONAL CHART





## APPENDIX B — SUBMISSIONS

Addministry Inc.	Boystown
Aged and Community Services	Bush Heritage Australia
Aid for the Blind (Qld) Inc.	Campbell Page
Amnesty International	Catholic Health Australia
Anglicare Sydney	Centenary Institute
Anglicare Warrnambool	Centre for Excellence in Child & Family Welfare
Asia-Pacific Centre for Social Investment and Philanthropy, Swinburne University	Cerebral Palsy Alliance
Association of Australian Medical Research Institute	Chamber of Arts and Culture WA Inc
Associations Forum Pty Ltd	Changemakers Australia
Australian Accounting Standards Board (AASB)	Chartered Secretaries Australia
Australian Baptist Ministries	Child Fund Australia
Australian Bureau of Statistics	Church, John
Australian Business and Consumer Network	Community Colleges Australia (CCA)
Australian Catholic Bishops Conference	Community Compass
Australian Conservation Foundation (ACF)	Community Employers WA
Australian Council for International Development (ACFID)	Community South West
Australian Council of Jewish Schools	Consumers Health Forum of Australia
Australian Dental Association (ADA)	Continenence Foundation of Australia Ltd
Australian General Practice Network (AGPN)	CPA Australia
Australian Institute of Company Directors (AICD)	Department of Education, Employment and Workplace Relations (DEEWR)
Australian Lung Foundation	Diabetes Australia
Australian Major Performing Arts Group	Disability Support Pensioners Australia Inc. (DSP Australia)
Australasian Society for HIV Medicine (ASHM)	Dutch Australian Society 'Abel Tasman'
Bailey, David	Ear Science Institute Australia Inc.
Baptist Care Inc	Endeavour Foundation
Berry Street	Ethnic Communities' Council of Australia (ECCA)
	Family & Relationship Services Australia (FRSA)
	FamilyCare

## SUBMISSIONS (CONTINUED)

Flack, Dr Ted  
Fundraising Institute Australia  
Gladwell, John  
Good Beginnings  
Grant Thornton  
Hargreaves, Colin  
Headspace: National Youth Mental Health Foundation  
Heatherlie Homes Warrnambool  
Heatherlie Homes  
Illawarra Forum  
Independent Schools Council of Australia  
Institute of Chartered Accountants Australia (ICAA)  
Invasive Species Council  
James Crofts Hope Foundation  
Kenilworth Arts Council Inc.  
Legacy Australia Council Inc  
Life Without Barriers  
Lind , Andrew  
McAinsh, William R  
MercyCare  
Micah Projects  
Moore Stephens Accountants  
Movember  
Mpower  
Myer Family Company  
National Disability Services  
National Roundtable of Nonprofit Organisations Ltd (NRNO)  
Netball Australia  
North Tamworth Rugby League Club  
Our Community  
Philanthropy Australia  
PILCH Connect

Pitcher Partners  
Playgroup Associations  
Price Waterhouse Coopers (PWC)  
Research Australia  
Retirement Villages Residents Association  
Services for Australian Rural and Remote Allied Health (SARRAH)  
SDN Children's Services  
Settlement Council of Australia  
Spina Bifida & Hydrocephalus Association of South Australia Inc  
St Vincent de Paul National Council  
State Library of WA Foundation  
Surf Life Saving Australia  
Sydney Anglican Church  
The Shepherd Centre  
The Smith Family  
Thompson, Keith  
Trebish, Moche  
Tri Q  
Troy, Graeme  
Trustee Corporation Association of Australia  
Uniting Care Australia  
Uniting Church in Australia  
University of Melbourne Law School  
Victorian Healthcare Association  
Vision Australia  
Volunteering Australia  
Whitsunday Crisis and Counselling Services Inc.  
Women Donors  
YMCA Australia  
Young Care  
YWCA Australia

## APPENDIX C — STAKEHOLDER ENGAGEMENT

### ROUND TABLE MEETING PARTICIPANTS

#### Commonwealth Government

Australian Bureau of Statistics  
Australian Securities and Investment Commission  
Australian Taxation Office  
Department of Families, Housing, Community Services and Indigenous Affairs  
Department of Finance  
Office of the Registrar of Indigenous Corporations  
Productivity Commission  
Standard Business Reporting  
Department of the Treasury

#### State Government

NSW Office of Liquor, Gaming & Racing  
Queensland Office of Regulatory Policy  
Victorian Department of Planning and Community Development  
Victorian Office of the Community Sector  
Western Australia Department of Treasury

#### Peak Bodies

Australian Accounting Standards Board  
Australian Council for International Development  
Australian Council of Social Service  
Australian Institute of Company Directors  
Centre for Social Impact  
Chartered Secretaries Australia  
Community Council for Australia  
CPA Australia

Federation of Ethnic Communities Councils of Australia  
Institute of Chartered Accountants in Australia  
Jobs Australia  
National Association for the Visual Arts  
Not For Profit Reform Council  
Philanthropy Australia  
Physical Disability Australia  
PILCH Connect  
Trustee Corporation Association of Australia

#### Regulators

Australian Securities and Investments Commission  
Charity Commission of England and Wales  
New Zealand Charity Commission

#### Academic

Centre for Social Impact  
Curtin University  
Melbourne University  
Queensland University of Technology

#### Sector

Alan R. Ovenden & Co  
Anglicare  
Australian Catholic Bishops Conference  
Baptiste Care  
Brotherhood of St Laurence  
Connecting Up Australia  
Conservation Council

De Quincey Company  
Familycare  
Mental Health Council of Australia  
Mission Australia  
Myer Foundation

Our Community  
Red Cross  
Rotary Australian Community Service  
St Vincent de Paul  
UnitingCare Australia

## STAKEHOLDER MEETINGS

ACT Government Agencies  
ATO Charities Consultative Committee  
Australian Accounting Standards Board  
Australian Council for International Development (ACFID)  
Australian Institute of Company Directors  
Australian Securities and Investments Commission  
Bradfield Nyland Group  
Canada Revenue Agency  
Catholic Church  
Centre for Social Impact  
Charity Commission of England and Wales  
COAG NFO Reform Working Group  
Community Council for Australia  
Community Housing Federation of Australia  
Department of Justice, Vic  
Department of Planning and Community Development, Vic  
Department of Premier and Cabinet, Vic  
Department of Treasury, QLD  
Department of Treasury and Finance, South Australia  
Fifth International Conference of Charity Regulators, Edinburgh

Institute of Chartered Accountants  
Law School University of Melbourne  
Mental Health Council of Australian  
National NFP Reform Council  
NSW Government Agencies  
New Zealand Charities Commission  
Not-for-Profit Reform Interdepartmental Committee (NFPIDC)  
NT State Agencies  
Office of the Registrar of Indigenous Corporations  
The Hon. Tanya Plibersek MP  
Philanthropy Australia  
PilchConnect  
Queensland University of Technology  
South Australian Council of Social Service  
Senator Ursula Stephens  
Singapore Charity Directorate  
Singapore National Volunteer and Philanthropy Centre  
St John Ambulance  
Tasmanian State Agencies  
UnitingCare Australia  
WA Government Agencies

## TOPICS

ACNC establishment	Education strategy
Financial reporting	Information portal
Charity law matters	Not-for-profit services
Church structures	NFP regulatory reform initiatives
Codes of conduct	One-stop-shop
Compliance and investigations	Reporting framework
Operation of domestic and overseas regulators	Regulatory practice
Report-once, use-often proposal	Standards setting and NFP projects

## SPEAKING ENGAGEMENTS

Diocesan Financial Administrators	19 September 2011	Melbourne
Charities Consultative Committee	20 September 2011	Canberra
Charity Law Conference	20 September 2011	Canberra
Charity Law Conference	23 September 2011	Melbourne
AICD address hosted by Pitcher Partners	7 October 2011	Melbourne
Directors of Catholic Social Service Agencies	11 October 2011	Canberra
Jobs Australia Conference	13 October 2011	Brisbane
AICD Public Sector Governance Conference	19 October 2011	Canberra
PILCH hosted breakfast forum	11 November 2011	Melbourne
CPA Australia Public Sector Leaders	16 November 2011	Melbourne
Our Community Board Builder Conference	18 November 2011	Melbourne
Anglican Church Diocesan Registrars Conference	21 November	Bathurst
Regulatory Reform Reference Group	28 November 2011	Melbourne
National Roundtable of Non-profit Organisations AGM	30 November	Melbourne

## Speaking engagements (continued)

Financial Reporting Council	14 December 2011	Melbourne
Department for Communities and Social Inclusion	6 February 2012	Adelaide
CEO Symposium Association Forum Asia	9 February 2012	Hobart
John F Morrissey & Co Solicitors with 20 representatives of charities and NFP's	14 February 2012	Sydney
Catholic Health Australia	22 February 2012	Sydney
Centre for Excellence in Child and Family Welfare Inc	14 March 2012	Melbourne
AICD Leaders' Edge Lunch	15 March 2012	Adelaide
Congregational Bursars of Victoria	26 March 2012	Melbourne
CEOs of Large Foundations	27 March 2012	Melbourne
ACOSS National Conference	29 March 2012	Sydney
Business Forum, ICAA	20 April 2012	Perth
Centre for Excellence in Child and Family Welfare Inc	20 April 2012	Melbourne
Joint Pitcher Partners/Philanthropy Australia	2 May 2012	Melbourne
WACOSS Annual Conference	9 May 2012	Perth
Independent Schools Council of Australia (ICSA)	10 May 2012	Hobart
Committee for Economic Development of Australia (CEDA)	11 May 2012	Adelaide
National Volunteer week opening breakfast	14 May 2012	Melbourne
Business Convention, ICAA	16 May 2012	Sydney
Business Conference, ICAA	22 May 2012	Melbourne
Professions Australia AGM	22 May 2012	Melbourne
7th Annual Nonprofit Strategy Forums	31 May 2012	Brisbane
Business Conference, ICAA	4 June 2012	Adelaide



Christian Management Conference	4 June 2012	Melbourne
Christian Management Conference	5 June 2012	Melbourne
Business Conference, ICAA	5 June 2012	Adelaide
Bentleys Melbourne Partnership	5 June 2012	Melbourne
2nd Annual Building Partnerships between Government and Not-for-Profits	6 June 2012	Canberra

## COMMUNITY CONSULTATIONS

DATE	Location	TIME
30/01/2012	Brisbane	10.00am to 12.00pm
30/01/2012	Brisbane	1.30pm to 3.30pm
31/01/2012	Townsville	9.30am to 11.30am
31/01/2012	Townsville	1.30pm to 3.30pm
01/02/2012	Darwin	10.00am to 12.00pm
03/02/2012	Perth	10.00am to 12.00pm
03/02/2012	Perth	1.30pm to 3.30pm
06/02/2012	Adelaide	9.30am to 11.30am
06/02/2012	Adelaide	2.00pm to 4.00pm
07/02/2012	Melbourne	10.00am to 12.00pm
07/02/2012	Melbourne	1.30pm to 3.30pm
07/02/2012	Melbourne	5.00pm to 7.00pm
08/02/2012	Canberra	10.00am to 12.00pm
10/02/2012	Hobart	10.00am to 12.00pm
13/02/2012	Sydney	9.30am to 11.30am
13/02/2012	Sydney	2.00pm to 4.00pm
13/02/2012	Sydney	5.30pm to 7.30pm

Note: Townsville and Sydney afternoon sessions were reserved for Aboriginal and Torres Strait Islander participants.

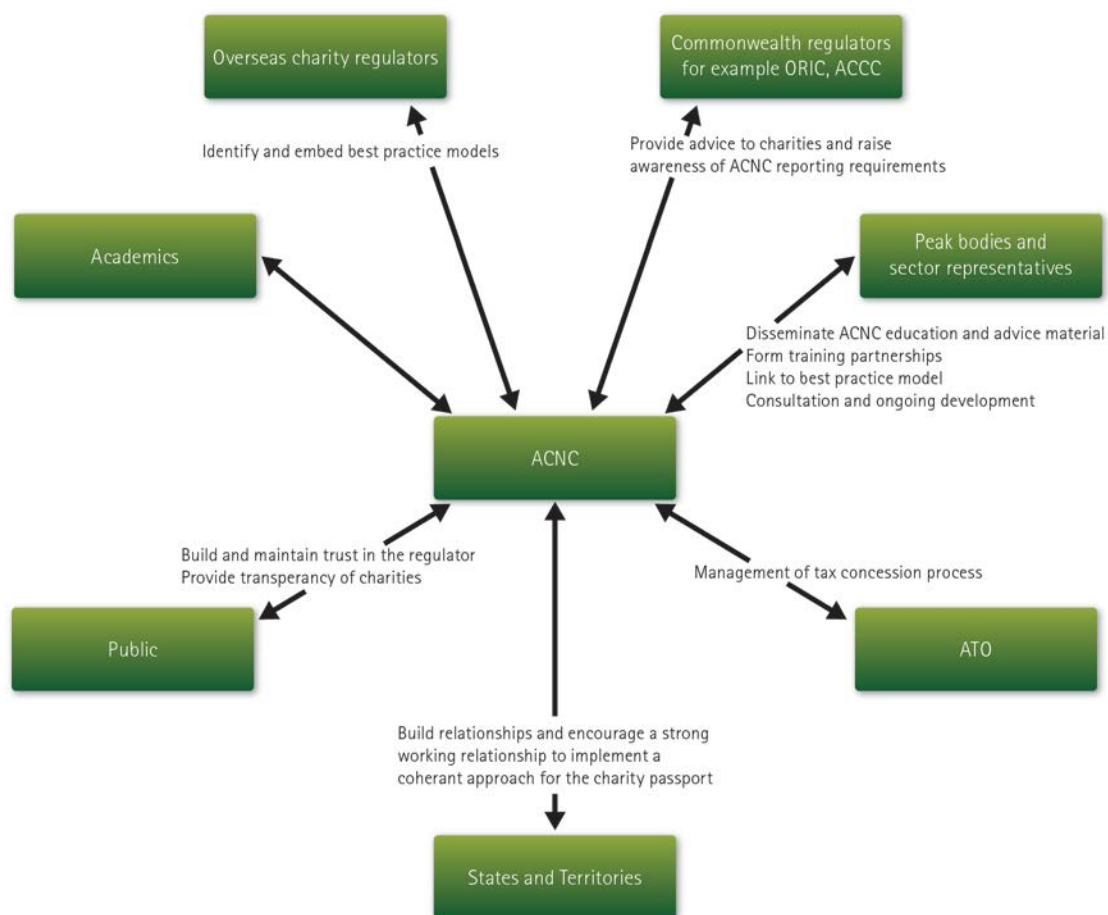


## APPENDIX D — IMPLEMENTATION PLAN





## APPENDIX E — ACNC RELATIONSHIPS





## APPENDIX F — TASKFORCE DETAILS

### ESTABLISHMENT OF THE TASKFORCE

In a joint media statement on 10 May 2011, the Hon Bill Shorten, then Assistant Treasurer and Minister for Financial Services and Superannuation and the Hon Tanya Plibersek MP, then Minister for Human Services and Social Inclusion, announced the establishment of the ACNC Taskforce to prepare for the launch of the new statutory agency.<sup>46</sup>

### TASKFORCE OBJECTIVES

The Taskforce was established to undertake preparations to ensure that the ACNC is ready for operation by 1 July 2012, including by consulting with the public, the sector and government agencies, on the new NFP reporting framework, the education strategy and details of the public information portal.

The Taskforce has worked with key government agencies such as Treasury to provide input into the development of legislation for the ACNC, and NFP policy; and with the ATO to develop a MOU for its delivery of back office support services. The Taskforce has engaged with state and territory agencies to negotiate use of the portal as a 'one-stop shop' by state agencies both for the application of their jurisdictional tax concessions, and for reporting. A truly national regulator would provide the greatest reduction in red tape for the sector.

### TASKFORCE TERMS OF REFERENCE

The Taskforce was given these terms of reference:

- ensuring the ACNC is ready to determine the legal status of, and register entities seeking charitable status, including PBI status, for all Commonwealth purposes, from 1 October 2012;
- implementing a report-once, use-often reporting framework for charities, with annual reporting to start from 1 July 2013 for the 2012-13 year<sup>47</sup> (this announcement delayed the commencement of reporting to 1 July 2014 for the 2013-14 year);
- establishing a one-stop shop public information portal by 1 July 2013;
- providing education and support to the sector; and
- promoting sound governance through a compliance framework to maintain the public's confidence in NFPs.

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<sup>46</sup> Assistant Treasurer (2011, 10 May) Making it easier for charities to help those who need it [Press Release].

<sup>47</sup> Joint media release the Hon David Bradbury MP and the Hon Mark Butler MP on 17 May 2012 – 'Staging the Introduction of regulatory reform for the not-for-profit sector'.

## TASKFORCE MEMBERS

Susan Pascoe AM	Interim Commissioner and Head of the Implementation Taskforce
PY Lim	Senior Policy Technical Adviser
Cathie Bartley	Administration Support
Mark Ferguson	Information Portal Manager
Erin Flynn	Policy Analyst
Mark Jennings	Policy Analyst
Stephanie Isaacson	Policy Analyst
Bernadette Smith	Communications Manager

## SPECIAL ADVISORS

Robert Fitzgerald AM	Special Adviser to the Government and to the ACNC Implementation Taskforce on matters relating to the NFP reform agenda and inaugural Chair of the ACNC Advisory Board from 1 October 2012.
Mr Trevor Garrett	The CEO of the New Zealand Charity Commission has been a source of ongoing advice and support to the Taskforce. This included conducting a two day workshop in Melbourne in August 2011 on the establishment of a Charity Commission, contributing to two of the roundtables in November 2011 and making his staff available on request.
David Locke	Executive Director, Charity Services of the Charity Commission of England and Wales was seconded to the Taskforce for the period October 2011 to March 2012.
Donna Walsh	Director (recently retired) of the Review and Analysis Division in the Charities Directorate, Canada Revenue Agency, from February to May 2012.
Gary Pollitt	Manager, Business Systems from the Charity Commission of England and Wales during December 2011.





