

ACNC Quarterly

Autumn 2016



From the Commissioner...

It is with great pleasure that I can confirm the ACNC will continue to be the dedicated national regulator for Australian charities. On Friday 4 March, 2016, the Minister for Social Services, Hon Christian Porter MP, and the Assistant Treasurer, Hon Kelly O'Dwyer MP, announced the **Government's decision to retain the ACNC**. This is wonderful news, coming after a long period of uncertainty.

The decision has led me to reflect on the great work our team has been doing since we were established a little over three years ago. The efforts of our passionate and dedicated staff, including our tireless Assistant Commissioners, Murray Baird and David Locke, have helped to grow the ACNC into the supportive, reliable and trusted regulator it is today.

I would also like to express my gratitude to those who have supported the work of the ACNC, in particular our Advisory Board ably chaired by Robert Fitzgerald AM. Many individuals and groups have expressed ongoing support for a charity regulator which promotes trust and confidence in the sector, supports its sustainability, and plays a catalytic role in red tape reduction. The voices of support over the years have been important in securing the future of the ACNC.

Uncertainty around our future has slowed progress in certain areas, but now we are in a better position to support charities, particularly working with states and territories to reduce red tape.

We recently released a new report, ***Cutting Red Tape: Options for alignment of regulatory obligations on the charity sector***, commissioned by the ACNC and produced by Deloitte Access Economics. The report shows that there is potential to save millions for charities by taking further measures to harmonise and streamline government requirements.

I acknowledge the leadership of some states and territories in red tape reduction initiatives and thank our colleagues in the state and territory governments for their input into this report.

To remove unnecessary duplication, the ACNC has extended the transitional reporting arrangements. This is great news for charities that prepare reports for state and territory regulators. However, this is just a small part of our red tape reduction efforts. There is a range of other exciting measures that we are progressing which I hope to be able to announce soon.

I am proud of the work we have achieved since we were established on 3 December 2012 and I look forward to continuing to ensure Australian charities inspire confidence and respect.

Good wishes,

Susan Pascoe

Susan Pascoe AM



Upcoming ACNC webinars

3 May 2016 **Who regulates charities**
7 June 2016 **Reporting to the ACNC**

To access previous webinars and sign up for upcoming sessions visit acnc.gov.au/webinars.

Cutting red tape could save charities millions

A new report has found that cutting red tape in the not-for-profit sector could save Australian charities as much as \$29 million.

The report *Cutting Red Tape: Options for alignment of regulatory obligations on the charity sector*, was commissioned by the ACNC and produced by Deloitte Access Economics. It shows there is potential to save millions for charities by further measures to harmonise and streamline government requirements.

One of the ACNC's core objectives is to reduce the regulatory burden on charities. While some progress has been made in this area, the report highlights that there is much more that can be achieved. Now that the Federal Government has announced its decision to retain the ACNC, there is great impetus for more action to do this.

The report proposes three options for red tape reduction in areas that are currently the responsibility of state and territory governments – fundraising, state taxation and incorporated associations legislation. The first proposal would allow existing ACNC obligations to fulfil state and territory regulatory requirements; the second proposal would additionally align state, territory, and ACNC regulatory obligations; and the third proposal is to legislate for the ACNC to become a central regulatory body for charities.

Implementing any of the options will require ongoing collaboration across different levels of government. The ACNC is continuing to work with the states and territories to make further progress and achieve meaningful reduction in the regulatory burden for charities.

To read the full report, visit acnc.gov.au/redtapereduction.

OPTION 1



Estimated savings for charities

\$14.31 million

OPTION 2



Estimated savings for charities

\$19.6 million

OPTION 3



Estimated savings for charities

\$29.38 million



Transitional reporting arrangements extended

ACNC regulations have been amended to extend transitional reporting provisions which allow

the ACNC to continue to accept certain reports lodged with other government agencies.

In 2014 and 2015, the ACNC applied these provisions to accept the following reports as meeting ACNC requirements:

- Financial reports lodged by incorporated associations, co-operatives and fundraisers with state and territory regulators
- Financial Questionnaires lodged by non-government schools with the Department of Education and Training

- Annual returns and financial reports lodged by Indigenous Corporations with the Office of the Registrar of Indigenous Corporations.

To give the sector immediate certainty, the ACNC has committed to accept these reports for the 2016 reporting year.

Reducing red tape is a focus of the ACNC and we are working closely with governments at all levels to align regulatory obligations and streamline reporting. Information about the transitional reporting provisions is on our website at acnc.gov.au/transitionalreporting.



INSIGHT INTO THE ACNC 5 minutes with...



Nicole Rowan is a Senior Policy Officer in the ACNC's Reporting and Red Tape Reduction team. Her role is to help facilitate red tape reduction for charities.

What does your day-to-day work involve?

Every day is different, which makes my role interesting and enjoyable. One day I am travelling to meet with state and territory department officers, the next day I am researching legislation.

What have you learnt about the charity sector from your work?

The ACNC Charity Register data has highlighted the economic value of the sector. I knew this

anecdotally from working in the sector, but because it is now so clearly articulated, it provides an important mechanism to leverage policy development.

What is the most rewarding part of your role?

I am excited that I can make a real difference to the work of charities. Whilst it will take some time, the red tape reduction strategies that we are developing will translate to a decrease in the administrative burden for charity volunteers and paid staff.

I am also positive about the relationships that I have developed with officers in state and territory departments. These are built on trust and mutual respect and they are essential to fulfilling the red tape reduction strategies we envision.

Do you volunteer for a charity?

Having both an accounting and legal background, I am a governance nerd and I love the opportunity to contribute my knowledge to boards. Currently I am a Treasurer for one Victorian charity and on the board of another national charity.

Educating banks to help charities



The ACNC and the Australian Securities and Investments Commission (ASIC) have partnered to urge banks and other financial service providers to change the way they interact with charities, after hundreds of charities have been denied loans or other financial assistance.

Charities are finding that many banks have not updated their processes and they are still using the ASIC Register, instead of the ACNC Register to validate information provided by charities.

Prior to the establishment of the ACNC, charitable companies were required to lodge reports with ASIC or notify them of common changes.

However, since the ACNC was established in December 2012, charitable companies have been required to report to the ACNC instead. This includes notifying of changes to the charity's details such as its address and members of the board.

The ACNC and ASIC are writing to financial sector representatives to confirm that the ACNC Charity Register is the place to find the most accurate and up-to-date information about Australian charities.

Charities that face issues from organisations, such as banks, who are not aware that the ACNC Charity Register is the best place to find information about Australian charities can be directed to the factsheet 'How to find information about Australia's registered charities', available at acnc.gov.au/checkthecharityregister.

Helping you this quarter

The most frequently asked questions of our Advice Services team.

Q How can I reset my password for the ACNC Charity Portal?



A If you have lost or forgotten your password, you can reset it online at charity.acnc.gov.au.

You will need your charity's ABN and contact details. You will also need to answer some questions to confirm that you are authorised to reset the password.

Q Where can I find out about financial literacy as a board member?

- A There are several organisations with financial literacy resources for not-for-profits:
- Our Community has financial help sheets and a guide 'Damn good advice for treasurers' at OurCommunity.com.au.
 - Chartered Accountants Australia and NZ has guidance at charteredaccountants.com.au/notforprofits.
 - CPA Australia has professional resources at cpaaustralia.com.au/professional-resources/not-for-profit.

Q How can I better understand the legal obligations of running my charity?

- A Your charity's legal obligations depend on a number of factors such as its legal structure, where and how it operates, and if it has tax concessions. The 'Manage my charity' section of our website (acnc.gov.au/managemycharity) has information about your charity's obligations to the ACNC, as well as other basic legal obligations.

The Information Hub run by Justice Connect at nfplaw.org.au also has a lot of useful resources.

Charity chat

We spoke with MarionLIFE Community Services, a charity which provides care to individuals and families in need.

Q What's the most rewarding thing about the work you do?

- A The most rewarding aspect of MarionLIFE's work is building genuine relationships with people in our community. Our team members live locally—the people who access our services are people we say hello to at the local shopping centre and in many situations are the people who become volunteers and help shape the services we offer.

Q What tips do you have for charity governance?

- A Seek out the right people for your board – these are the people who lead your organisation and will determine your long-term reputation and viability. We have exceptional board members who believe in the organisation's values, are experts in their respective fields and take the governance of MarionLIFE seriously.



Connect with ACNC

Sign up to our email news updates at acnc.gov.au/signuptoemailalerts.

You can also interact with us and other charities on social media:



Facebook
acnc.gov.au



LinkedIn
Aussie Charities & NFPs



Twitter
acnc_gov_au



YouTube
acncvideos

© Copyright 2016

You are free to copy, adapt, modify, transmit and distribute this material as you wish (but not in any way that suggests the ACNC or the Commonwealth endorses you or any of your services or products).