



# ACNC Sector Forum – Friday 17 March 2023

## Minutes

### Agenda Item 1: Welcome

Anna Longley, ACNC Assistant Commissioner, General Counsel, opened the meeting with an Acknowledgement of Country and noted the minutes from the last meeting.

### Agenda Item 2: Commissioner's update

Sue Woodward AM, ACNC Commissioner reflected on her first three months as Commissioner, outlining her focus on key areas that include ensuring trust and confidence, continued stakeholder engagement and consultation, and developing and regularly communicating guidance.

### Agenda Item 3: Member discussion

Anna invited members to give an update of issues affecting the sector.

In a roundtable discussion on matters that impact charities and charity regulation, members discussed:

- ACNC guidance:
  - o [Related Party Transactions](#): charities will report from the 2023 Annual Information Statement. The ACNC will advise of the outcome of consultation on the Annual Information Statement question shortly.
  - o [Charities, advocacy and the planned referendum on an Indigenous Voice to Parliament](#)
  - o [Charities and crypto-assets](#): suggestion that the ACNC should distinguish between types of crypto-currency in its guidance
  - o [Cyber security](#): it is important for the ACNC to keep this guidance current
- The Government's commitment to develop a strategy to double philanthropic giving by 2030 and the [Productivity Commission's Philanthropy Inquiry](#)
- The introduction of the [Housing Australia Future Fund Bill 2023](#)
- The importance of ACNC guidance for charities in relation to sound structure, systems and processes
- Retaining skilled staff, particularly in rural and remote locations
- Maintaining professional development: there are paid opportunities for professional development for the sector, for instance through the [Australian Scholarships Foundation](#).
- Incentivising giving in the charities sector and different payment systems, such as PayID.
- Harmonisation of fundraising in relation to raffles and lotteries and divergent regulatory positions
- The role of charities in the aged care sector
- The [NDIS Review](#) and [NDIS Annual Pricing Review](#) and the effect on service provision
- The importance of the ACNC Charity Register and being able to search by name.
- DFAT accreditation



#### **Agenda Item 4: Australian Taxation Office update**

Jennifer Moltisanti, Assistant Commissioner, Not-for-profit Centre and Government, Australian Taxation Office (ATO), gave an overview of key areas of ATO focus for NFPs and registered charities, which comprise of one third of the total NFPs. Jennifer outlined the tax concessions that charities and NFPs have access to and DGR eligibility and entitlements and the importance of meeting superannuation and tax obligations. Jennifer also noted emerging risks in the sector including new commercial activities that generate profit, lack of transparency and rising debt levels. NFPs can achieve high levels of assurance and compliance by keeping good records, documenting significant transactions and decisions, and keeping informed of risks communicated to the market.

#### **Agenda Item 5: Identifying compliance risks and Commission Review Program focus areas**

James Bennett, ACNC Director, Compliance, led small group consultation with members regarding the ACNC's approach to identifying compliance risks in the sector and an overview of the Commission Review Program. Members were asked for feedback on suggested compliance topics in terms of understanding risk or developing further guidance.

#### **Agenda Item 6: Australian Accounting Standards Board**

Fridrich Housa, Deputy Technical Director, Australian Accounting Standards Board (AASB), led consultation with members on the development of simplified accounting requirements for smaller Not-for-Profit Private Sector Entities and Post-implementation Reviews of not-for-profit accounting standards. Members provided valuable feedback, highlighting the need for guidance on measuring intangible assets and that the smaller organisations using DGR status are not commonly a controlling entity of a group. Clearly worded communication between NFP accountants and boards was identified as a way of explaining accrual accounting practices and there is a need for simplification of requirements in single AASB standard for reporting income and expenses.

#### **Agenda Item 7: Consultation on a Strategic Plan for the Payments System**

Nghi Luu, Assistant Secretary, Capital Markets, Payments, and Financial Innovation Branch, Treasury led consultation on the use of cheques as a method of payment to charities. Members provided useful input to assist in guiding Treasury in their strategic plan and were in agreement that cheque usage is in decline. Members also mentioned that donors use cheques to ensure anonymity and privacy and if phased out then alternative methods of payment would need to be available such as PayID.

#### **Agenda Item 8: Treasury update**

Jacky Rowbotham, Assistant Secretary, NFP & Tax Administration Branch, Treasury provided an update on matters relevant to the charity sector, including Treasury Laws Amendment (Refining and Improving Our Tax System) Bill 2023: transferring four DGR registers to the ATO

#### **Agenda Item 9: Closing remarks**

Anna closed the meeting by reminding members about the Regulators Day on Friday 28 July 2023 and the Charity Law Association of Australia and New Zealand's annual conference, which is scheduled for Thursday 27 July 2023.



The next Sector Forum meeting will take place on 18 October 2023.