



Australian Government

Australian
Charities and
Not-for-profits
Commission

23 February 2024

Philanthropy Inquiry
Productivity Commission
GPO Box 1428
Canberra City ACT 2601

Submitted online: [Make a submission - Philanthropy - Productivity Commission \(pc.gov.au\)](https://www.pc.gov.au/philanthropy)

Our reference: ACNCSUB2024-4

The Australian Charities and Not-for-profits Commission (**ACNC**) welcomes the opportunity to comment on the *Future foundations for giving* draft report (**Draft Report**).

Structure of our submission

1. We have adopted the defined terms used in the Draft Report.
2. We comment first on topics mentioned in the Draft Report which were not the explicit subject of recommendations. Then we consider the draft recommendations relevant to our work.

Enforcement powers

3. We refer to the comments regarding federally regulated entities (**FREs**) on pages 221 to 223 of the Draft Report.
4. **Not having the full suite of regulatory powers for all ACNC regulated charities means any enforcement action we can take is constrained, and that different approaches need to be considered for similar types of non-compliance.**
5. When there are risks needing to be addressed, and the enforcement powers are not available, we will negotiate with the charity to make necessary changes. If they are unwilling or unable to do so, we may decide to revoke, where that is proportionate to the risk as it exists at that point in time.
6. This limitation to our regulatory powers can affect the timeliness of our response (for example, if we need to wait on a response from a charity) and is a less efficient use of ACNC resources.
7. It can mean we are forced to consider the blunt instrument of revocation in situations where we would prefer to see if the charity can get back on track in a staged way, for example by an enforceable undertaking which, if complied with, may give them a second chance.



8. It can also be confusing for charities and the public. For example, consider two charities within the same group of charities which must comply with the ACNC governance standards, but where one is an FRE and the other is not. If we had serious concerns about their compliance with the governance standards, we could use an enforceable undertaking for the FRE but not for the non-FRE (for which only a voluntary compliance agreement or revocation would be possible).¹ This is confusing for:
 - a. the charities in the same group needing to respond to two different interventions,
 - b. other charities who could see our regulatory approach as being inconsistent for breaches of a similar nature/ level of seriousness, and
 - c. the public.
9. Additionally, the use of our revocation power is not transparent as we are currently unable to disclose information regarding finalised investigations, including reasons why we have revoked registration. We support a change to allow this transparency and note that this will be targeted as “Area 3” of the Government’s secrecy reforms project.²
10. This lack of transparency can impact public trust and confidence in the sector, potentially hampering donations.

Duplicative reporting requirements

11. We refer to the comments at pages 234-235 regarding duplicative reporting requirements which remain for charities. We continue to work with other regulators to reduce the cost of unnecessary or inefficient regulation, including joining the Business Registers Inter-agency Liaison committee chaired by ASIC.
12. As we noted in our first submission, we acknowledge that charitable companies experience red tape and confusion as financial institutions and others continue to rely on incorrect and out-of-date information on the ASIC Register, rather than the Charity Register.³
13. This results in administrative costs for charities and may also impede fundraising activities, particularly where donors are using out-of-date information.
14. We understand that barriers to users migrating from the ASIC Register to the Charity Register include:

¹ This paragraph was corrected on 3 May 2024.

² The Treasury, *Australian Charities and Not-for-profits Commission (ACNC) secrecy provisions reform – new and ongoing investigations*, <<https://treasury.gov.au/consultation/c2023-448980>>. See heading “Background” for the three areas of the secrecy reforms project.

³ See, for example, *Re Leeuwin Ocean Adventure Foundation Limited (In Administration); Ex Parte John Allan Bumbak and Richard Scott Tucker as joint and several administrators of Leeuwin Ocean Adventure Foundation Limited* [2023] WASC 480 at [25]-[31].



- a. Section 129 of the Corporations Act, which allows a person to rely on information from ASIC regarding the directors of a company, and similar sections in other legislation.⁴
 - b. The ACNC is not able to provide information regarding former Responsible Persons or information regarding current Responsible Persons' dates of birth or addresses, and therefore cannot provide equivalent information to what can be obtained from the ASIC Register.
 - c. Requirements regarding anti-money laundering and counter-terrorism financing may lead financial institutions to rely on the ASIC Register.⁵
15. The intent behind the establishment of the Charity Register was to provide for:
- ... a single source of easily accessible public information to increase transparency, enable NFP entities to demonstrate appropriate levels of accountability and governance, provide information to the public about registered entities and promote public confidence, informed choices and philanthropy.⁶
16. To give effect to this intent, further work is needed to migrate all users to relying on the Charity Register, including making the required legislative amendments to effect that.

Directors' duties

- 17. We refer to comments at page 225 of the Draft Report as to whether Responsible Persons should be personally subject to the ACNC governance standards.
- 18. Mismanagement and private benefit concerns are two major risk categories. In 2022-2023, we received 501 complaints regarding mismanagement and 592 regarding private benefit, out of a total of 2,106.
- 19. "Turning on" directors' duties under the Corporations Act may assist in clarifying duties for Responsible Persons. There is significant overlap between those who are on business company boards and those on charitable company boards, and we see an advantage in the duties being same.
- 20. It can confuse directors of charitable companies if they think the duties don't apply, not understanding that common law duties and criminal offences for breaches of certain Corporations Law duties are still applicable. Criminal offences that still apply relate to duties to act in good faith in the best interest of the charity,⁷ misuse of position or information,⁸ and insolvent trading.⁹

⁴ For example, see s 269-50 in Schedule 1 to the *Taxation Administration Act 1953* (Cth).

⁵ See, by way of example, the *Anti-Money Laundering and Counter-Terrorism Financing Rules Instrument 2007 (No. 1)* (Cth).

⁶ Revised Explanatory Memorandum, Australian Charities and Not-For-Profits Commission Bill 2012 (Cth) [4.8].

⁷ *Corporations Act 2001* (Cth), s 184.

⁸ *Ibid.*

⁹ *Ibid.*, s 588G.



21. Also, many of state and territory based incorporated association regimes have, in more recent times, increased the duties of committee members to the same or similar duties as those in the Corporations Act – turning the duties back ‘on’ would, therefore, support any harmonisation of the statutory duties across the most common incorporated legal structures for charities.
22. It is important to note that the ACNC generally does not have the power to enforce director duties (whether common law or those that remain ‘on’ under the Corporations Law), and that enforcement of criminal breaches has remained with ASIC.¹⁰
23. Applying duties directly via the Corporations Act also provides an alternate pathway for members to hold Responsible Persons accountable as the member remedy provisions are enlivened. This can be an important additional accountability mechanism, noting our most recent data shows there are approximately 60,000 Responsible Persons of charitable companies.

Draft recommendation 6.1

Extend eligibility for DGR status to most classes of charitable activities, drawing on the charity subtype classification in the *Australian Charities and Not-for-profits Commission Act 2012* (Cth) to classify which charitable activities are eligible for DGR status and which are not.

Impact on ACNC resources

24. The Draft Report estimates that the number of DGRs would increase from 25,000 to between 30,000 and 40,000, acknowledging it is hard to quantify as, for example, there will be entities eligible for registration (although not currently registered) and that will seek registration to access DGR endorsement.
25. If implemented, there would be an increase in our registration workload, the need for new guidance and resources with a flow on impact to our double defaulter processes, additional DGR review cases, and increases in the number of queries and concerns we receive.

DGR revocation clauses

26. The current requirements for DGR endorsement include:
 - a. In the case of an entity endorsed as a whole, that the entity is required to transfer gifts and deductible contributions to another DGR endorsed entity upon the winding up of the entity or revocation of its endorsement, or
 - b. In the case of the endorsement of a fund, authority, or institution operated by an entity, that the entity is required to transfer surplus assets of the fund to another

¹⁰ Per subdiv 100-B of the ACNC Act, we may only suspend or remove a Responsible Person if the charity is a FRE and has failed to take reasonable steps to ensure that its Responsible Persons are subject to, and comply with, their duties under Governance Standard 5.



endorsed fund, authority, or institution, on the winding up of the fund or endorsement being revoked.

27. These requirements can be set out in a law or in the entity's governing document. The ATO has sample DGR revocation clauses on its website that entities can include in their governing document to meet this requirement.¹¹
28. The inclusion of a DGR revocation clause is not a requirement for charity registration, but we will raise this with an applicant during the registration process, particularly if we require other amendments to meet our requirements. This helps applicants avoid the cost and delays associated with multiple rounds of amendments.
29. Further consideration may be needed as to how these requirements will apply to those entities which become eligible for DGR endorsement under this draft recommendation.

Terminology

30. The Draft Report refers to activities in particular subtypes. Conducting an activity that appears to be consistent with a particular subtype will not be sufficient for charity registration as that subtype.
31. The charity must establish that it has a purpose which corresponds to the subtype. An activity on its own will not necessarily amount to a purpose.
32. Additionally, the same activity when conducted by two different charities could amount to two different charitable purposes. For example, an activity of supporting school children could further a purpose of advancing social or public welfare or a purpose of advancing education, depending on factors such as how the charity selects its beneficiaries and its purpose as described in its governing document.

Draft recommendation 6.2

Amend the ACNC Act to require the ACNC to register all new and existing charities with all applicable charitable subtypes.

Impact on ACNC resources

33. Conservatively, if only 20% of 60,000 existing charities applying to change their subtypes this would result in 12,000 additional applications to the ACNC. This increased demand on our registration directorate will be in addition to the volume of cases flowing from changes to the self-assessing income tax exemption.

¹¹ See, for example, ATO, *Endorsement as a whole* (2 January 2024), <<https://www.ato.gov.au/businesses-and-organisations/not-for-profit-organisations/getting-started/getting-endorsed-for-tax-concessions-or-as-a-dgr/is-my-organisation-eligible-for-dgr-endorsement/rules-and-tests-for-dgr-endorsement/endorsement-as-a-whole>>, and ATO, *Endorsement for the operation of a fund, authority or institution* (2 January 2024), <<https://www.ato.gov.au/businesses-and-organisations/not-for-profit-organisations/getting-started/getting-endorsed-for-tax-concessions-or-as-a-dgr/is-my-organisation-eligible-for-dgr-endorsement/rules-and-tests-for-dgr-endorsement/endorsement-for-the-operation-of-a-fund-authority-or-institution>>.



34. The impacts on our workload would include:

- a. work to accommodate significant changes to the registration process (including applications to change subtype), including redesign of application forms, IT costs, and staff training, and
- b. education, guidance and awareness campaign for existing charities about subtypes.

Draft recommendation 6.2

Legislated definition of public benevolent institution.

35. We agree that this has the potential to provide clarity and simplify requirements.¹²

36. A legislated definition would presumably only apply at the Commonwealth level, but the term “public benevolent institution” is also used in state and territory tax legislation.¹³ It would be desirable for states and territories adopt any legislated definition.

Impact on ACNC resources

37. A legislated definition would result in a greater demand on our education and advice services during the transition period. Our role in determining eligibility for public benevolent institutions means we would inevitably experience a greater demand and an increase in our registration work as some charities seek to change their subtype, restructure, or voluntarily revoke.

Draft recommendation 7.1

Removal of concept of basic religious charity.

38. Currently, BRCs are not required to provide any financial information. This means that 16.3% of charities¹⁴ on the Charity Register do not have information about their finances available publicly, other than the small number of BRCs which provide information voluntarily.

39. This reduced transparency may impact public trust and confidence in the charity sector and slows our reactive and proactive compliance work. It also means that there is incomplete data about the charity sector available to users, such as other government agencies and researchers.

¹² We note that the Draft Report refers to ‘main purpose of benevolent relief’ at pages 166-167. This is the wording used in the previous version of our *Commissioner’s Interpretation Statement: Public Benevolent Institutions*. We do not use this wording in our updated version published on 31 August 2023 (available at <https://www.acnc.gov.au/tools/guidance/commissioners-interpretation-statements/commissioners-interpretation-statement-public-benevolent-institutions>).

¹³ See, for example, *Payroll Tax Act 2007* (Vic), s 48, which provides that wages paid or payable by a public benevolent institution are exempt wages.

¹⁴ ACNC, *Australian Charities Report - 9th Edition Charity Data Explorer*, <<https://www.acnc.gov.au/australian-charities-report-9th-edition-charity-data-explorer>>.



40. We note that the ACNC Legislation Review recommended amendments to reduce the burden of financial reporting by BRCs if the exemption was removed,¹⁵ to other reporting requirements and to the ACNC's compliance powers.¹⁶ The Review indicated that if a package of recommendations were adopted, all exemptions for Basic Religious Charities should be reviewed.
41. We note that the ACNC's Review recommendation 10 was that a registered entity be presumed to comply with the ACNC governance standards if it already complies with other comparable governance requirements. We continue to recognise third party standards, where possible, in line with our policy statement.¹⁷ This assists charities reduce unnecessary compliance duplication and provides them with a degree of certainty that if they meet third party standards then they are likely to be meeting the ACNC Standards. It may be that church governance models can also be mapped to the Governance Standards as has been done for certain codes of conduct.¹⁸

Draft recommendation 7.2

Amend the Act to enable the Commissioner of the ACNC to require registered charities undergoing revocation to provide evidence that its assets have been transferred to another registered charity unless an exemption is granted.

42. Currently, as set out in the Commissioner's Policy Statement 2012/09 Voluntary Revocation,¹⁹ charities requesting revocation of registration voluntarily are asked to provide information as to the distribution of their assets. We may request evidence before we approve an application to voluntarily revoke registration. This can mean that charities remain on the register until registration is revoked for failure to comply with obligations, such as lodging their annual reporting.
43. If Draft recommendation 7.2 is implemented, a registered charity may decide to not co-operate with this requirement, particularly in the case of an involuntary revocation. This may lead to delays if we cannot revoke until the charity has provided evidence or we exercise an exemption power, particularly in the case of a non-FRE entity (where we have limited enforcement powers).
44. The ACNC Act would need to clarify what exemptions may be granted by the ACNC Commissioner and any appeal rights for the exercise of that discretion. For example, we may receive requests for exemptions in the following scenarios:

¹⁵ ACNC Legislation Review, pages 68-69.

¹⁶ Ibid, Recommendation 16, which referred to Recommendations 5, 10, 12 and 13.

¹⁷ ACNC, *Commissioner's Policy Statement: Recognising Third Party Standards*, <<https://www.acnc.gov.au/about/corporate-information/corporate-policies/commissioners-policy-statement-recognising-third-party-standards>>.

¹⁸ See, for example, ACNC, *CMA Standards and the ACNC*, <<https://www.acnc.gov.au/for-charities/manage-your-charity/governance-hub/governance-standards/cma-standards-and-acnc>> and ACNC, *ACFID Code of Conduct and the Governance Standards*, <<https://www.acnc.gov.au/for-charities/manage-your-charity/governance-hub/governance-standards/acfid-code-conduct-and-acnc>>.

¹⁹ Available at <<https://www.acnc.gov.au/about/corporate-information/corporate-policies/commissioners-policy-statement-voluntary-revocation>>.



- a. Where the registered charity seeks to transfer its assets to a non-Australian charity, for example an overseas partner or group entity.
 - b. Where the registered charity intends to continue operating after revocation, whether as a charity or as a for-profit entity.
45. The policy objective behind this draft recommendation would be thwarted if the ACNC was not at the same time also given powers and resources to apply to the relevant court to recover assets, as charities may apply for revocation after distributing assets improperly.
46. An underlying concern here is the risk of phoenixing. While we collect some personal information for Responsible Persons, we are unable to verify this data, for example, against identity documents. Amendments to the ACNC Act to enable us to do so would assist in finding any instances of phoenixing.

Draft recommendation 7.2

Implementing or reforming laws to confirm the Commissioner of the ACNC has the standing to make applications in a state or territory Supreme Court.

Information request 7.1

Whether providing the ACNC standing in each jurisdiction's Supreme Court should be in relation to charitable trusts only or other charity structures and, if so, what legislative changes would be necessary to give effect to this?

47. The variation in state laws may impact our ability to treat entities (and varying types of entities) consistently across jurisdictions. We also refer to the comments by Parker J in *Grain Technology Australia Ltd v Rosewood Research Pty Ltd (No 3)* [2023] NSWSC 238 at [349] – [353]:

For the reasons I have given, I think that an absolute rule that gifts to corporations having charitable objects are held on trust is not consistent with principle. The same applies to the contention that a corporation having wholly charitable objects necessarily holds its property as trustee for charitable purposes. Charitable trusts and charitable corporations are, quite simply, different types of legal institution.

It may be accepted that the courts have in some cases granted equitable remedies of a trust nature against charitable corporations and those who control them. But this does not compel the conclusion that charitable corporations are a species of trust. Those decisions can be explained by reference to a historically and doctrinally separate jurisdiction over the affairs of charitable corporations or those who control and direct those corporations' affairs.

...

So far as the parties' arguments went, and my further research has gone, there is no Australian case which considers directly, and as part of its ratio, whether property held by a company having charitable objects is held by the company as



trustee, in the strict sense, for purposes expressed in those objects. Nor is there any authority questioning the *Liverpool Hospital* decision.

48. It is not clear how legislative reform could enable the ACNC Commissioner to have standing under the various trusts law in order to intervene to protect charitable assets held by all incorporated entities.
49. The complexity of this area of law, and resources required to make an application in a state or territory Supreme Court, may mean that this would only be pursued in limited circumstances.
50. **Addressing the conferral of the full suite of enforcement powers across all ACNC registered charities (FRE and non-FRE) no matter their entity type, is of greater practical concern to our work** and, we believe, better for public trust and confidence. Even with such a conferral, we would continue to work with other regulators including state and territory regulators (such as police and the fundraising, liquor and gaming authorities).

Draft recommendation 7.2

Publishing circumstances and reasons for referrals made to other Australian government agencies.

51. The Draft Report proposes the disclosure of detail of referrals made to other Australian government agencies where there is a substantial risk of public harm from not disclosing that information. Our experience is that in most cases, the public harm from not disclosing such information would be outweighed by harm to the conduct of investigation caused by publication, as well as harm to the charity (for example, where the claims are not ultimately substantiated). A requirement on us to publish is likely to deter other agencies from accepting our referrals.
52. It may be that the public will be sufficiently protected by disclosure of new and ongoing recognised assessment activities as permitted under the proposed ACNC secrecy reforms (described above at [9]), without necessarily providing details of referrals to other Australian government agencies.

Draft recommendation 7.3

Test case funding

53. We support this, noting that appropriate guidelines about precedential value and public interest will be important.
54. It may also be worthwhile ensuring we are able to publish a test case litigation register, similar to the ATO's,²⁰ which could include details of matters where we have approved or declined test case funding.

²⁰ ATO, *Test case litigation register*, <https://www.ato.gov.au/law/view/document?docid=TCR%2FTestCaseRegister%2F00001&path=law&path=view&path=document>.



Draft recommendation 7.3

Binding rulings scheme

55. We suggest it may be helpful to consider further the following aspects:

- a. Whether there should be any limitations as to who can apply.
- b. Circumstances in which we should not give a binding ruling.
- c. Available review rights.
- d. Alternatives that may be provided alongside a binding rulings scheme, such as early engagement or non-binding rulings where the entity is considering a potential scheme or transaction.
- e. Whether there should be any restrictions on what a ruling may conclude – for example, whether a ruling could go beyond concluding that a proposed project or activity furthers the entity's charitable purpose or that, on the facts provided and agreed, the charity remains eligible for charity registration.

Impact on ACNC resources

56. Such a scheme requires building a team who have highly specialised knowledge of charity law, without compromising our other directorates. It would also result in a greater demand on our education and advice services.

Draft recommendation 9.1

Further publication of information, including distributions by ancillary funds.

57. The ACNC Act and Regulations limit what we can publish on the Charity Register.

58. Currently, ancillary funds that are registered charities can lodge their annual ancillary fund return by completing the annual information statement (**AIS**). The ancillary fund data is not published on the Charity Register because the ACNC only collects this information on behalf of the ATO as part of the ACNC's 'report once, use often framework'. Publication of any existing ancillary fund information will require amendments to the ACNC Act and Regulations.

Impact on ACNC resources

59. To collect and publish existing information or further information on behalf of the ATO via the AIS, such as information regarding sub-funds, would require upgrades to the Charity Register.

**Draft recommendation 9.1****Regulatory impediments to the ACNC presenting more meaningful information on the ACNC Charity Register.****Draft recommendation 9.2****Embedding donor and public views in the ACNC regulatory approach.**

60. We refer to our original submission at [30] where we identified the following specific additional items that are regularly asked for by members of the public:
- Whether a charity has DGR endorsement (allowing donors to search for charities that have DGR endorsement).
 - Legal structure and relevant registration numbers (to understand which other regulators the charity has obligations to)
 - More comprehensive information about formerly registered charities (which increases transparency of the sector)
 - Grounds for revocation (which increases transparency - see below for more discussion)
 - Whether a charity has entered into a compliance agreement (which increases transparency - see below for more discussion on this matter)
 - Date of lodgement of the AIS and Annual Financial Report (increases transparency of a charity's compliance).
61. We also suggest that measures to increase the quantity of information presented on the Charity Register should be accompanied by measures and resources to ensure the quality, timeliness, and accessibility of that information.
62. Such measures would achieve the following:
- a. Assisting charities to provide accurate financial information, noting that the majority of charities are small and volunteer-run.
 - b. Improving the on-time submission rate for AISs.
 - c. Supporting members of the public in searching for and accessing information, having regard to the need to balance the information needs of donors, volunteers, charities, and other members of the public.

Draft recommendation 9.4**Reporting of income from bequests in their annual information statement**

63. Section 60-5 of the ACNC Act only allows the Commissioner to collect information through the AIS that enables 'recognised assessment activities' to be carried out. It is not clear that information regarding income from bequests falls within that scope and, therefore, implementation of this recommendation would require a change to ACNC Act.

**Draft recommendation 9.5****ABS should collect information about volunteering in the Census.**

64. The ACNC could complement the work by the ABS by sharing existing data and considering methods to gather further data. This may include further questions regarding volunteering in the AIS, if the reporting burden this imposes is proportionate to the benefit of that data, and if this information falls within the scope of s 60-5 of the ACNC Act. Amendments would be required to the ACNC Act to collect such information through the AIS.

Overall impacts on ACNC resourcing

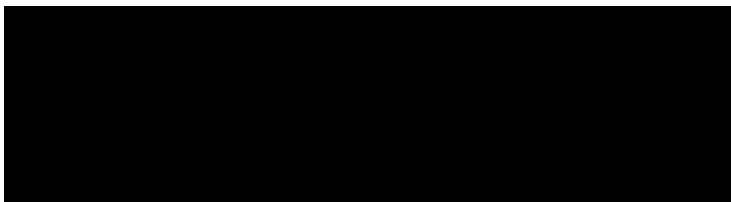
65. As noted above, some of the draft recommendations would have a significant impact upon the demand on our resources. If any of those recommendations are implemented without an increase in our resourcing, we would not be able to meet those increased demands while also meeting our performance measures, service standards and other reasonable performance expectations.

Advice from ACNC Advisory Board

66. Following on from your discussion with the ACNC Advisory Board on 3 December 2023, I attach their advice to me about the Draft Report as Appendix A.

Contact officer

67. If you have queries about this submission, please contact [REDACTED] Policy Manager, at [REDACTED].



Sue Woodward AM
Commissioner
Australian Charities and Not-for-profits Commission

20 February 2024

Sue Woodward AM
Commissioner
Australian Charities and Not-for-profits Commission

By email: sue.woodward@acnc.gov.au

Dear Sue

1. The Advisory Board welcomes the opportunity to provide advice to you regarding the Productivity Commission's *Future foundations for giving* draft report (**Draft Report**), following your request under section 135-15 of the ACNC Act.
2. We make the following comments and observations and confirm the Board agrees that you may provide this advice to the Productivity Commission, and that the Productivity Commission may, in turn, make it public via their usual processes.

Need for regulatory change

3. Many of the Draft Report's recommendations require legislative amendments. Progression of those recommendations presents an opportunity to also progress legislative amendments recommended in previous reports, such as:
 - a. Reviewing the interaction between the *Corporations Act 2001* (Cth) and the ACNC Act, including those issues identified in the Government's report *Strengthening for Purpose: Australian Charities and Not-for-profits Commission Legislation Review 2018* (the '**ACNC Legislation Review**').
 - b. Proposed amendments to the ACNC Act, including those identified in the ACNC Legislation Review and by the ACNC from its first 11 years of operation.
4. We also acknowledge the comments in the Draft Report that there are constitutional constraints on the ACNC's ability to utilise the full scope of its enforcement powers, in that these powers are limited to charities which are characterised as 'federally regulated entities'. We are of the view that the ACNC's ability to be the most effective and fair regulator it can be is hampered by this limitation, and that this is becoming more apparent as the ACNC matures its compliance work.
5. Accordingly, we urge the Commission to expand its recommendation about the role of the National Charity Regulators Forum (with state and territory regulators) so that officials are specifically tasked with reporting to first Ministers about a process for overcoming this limitation within a timeframe of, say, a year. In our view, growing giving to Australian charities needs this more coherent and joined up regulatory architecture.

6. Implementation of these recommendations would improve the ACNC's efficiency and reduce red tape for the charity sector.

Education and guidance

7. As found in the 9th edition of the ACNC's Charities report, most of Australia's charities are small, volunteer-run organisations. Considering this, it is important that the ACNC continues to deliver useful, straightforward guidance to support charities in understanding their obligations, and any changes to those obligations.
8. As a result, appropriate transition periods to implement recommendations will be necessary, to allow the ACNC time to develop external guidance to educate the sector about the changes.

Resourcing implications for the ACNC

9. Several recommendations in the Draft Report, while improving (and in some cases strengthening) the regulatory framework, would have significant implications for the ACNC's workload, as noted in the ACNC's submission to the Draft Report.
10. The ACNC will need to be adequately resourced to ensure that it can implement the recommendations and given sufficient time to build the teams needed, without compromising its existing core work.
11. The ACNC should be appropriately supported to ensure it remains a strong, effective and relevant national regulator, for Australia's critical charity sector and its constituents.

Next steps

12. If you have queries about this submission, please contact me.

Sarah Davies AM
Chair
ACNC Advisory Board