

## ACNC Adviser Forum – Thursday 18<sup>th</sup> March 2021

### Agenda Item 2: ACNC Update

Hon Dr Gary Johns, ACNC Commissioner, provided an update on growth in the sector, the Charity Marketplace and register activity.

- Accurate data has recently been obtained on Growth in the Sector and there has been a net growth of approximately 1,300 charities per year since January 2019, made up of new charity registrations (approx. 2,600 per year) and revoked registrations (approx. 1,300 per year).
- Monthly unique page views since January 2018 have increased from approx. 300,000 per month to approx. 800,000 in January 2021. Monthly searches of the ACNC Register have increased from approx. 60,000 per month in January 2018 to approx. 450,000 per month in January 2021.
- The 2020 AIS now seeks information about charity programs. There is an average of 1.7 programs per charity. This has resulted in more detail being provided about beneficiaries and format of program delivery (online vs. in person). It is aimed by August/September 2021 that geo-location searches will be available.

### Agenda Item 3: ATO Update

The Adviser Forum received a presentation and update from Jennifer Moltisanti, Assistant Commissioner, Not-for-profit Centre and Government, ATO. Key messages:

- JobKeeper ends on 28 March 2021. Entities already receiving JobKeeper should have already lodged monthly business declarations for March and will need to lodge their March monthly business declaration before 15 April 2021.
- In order to claim JobMaker Hiring Credit, entities need to register, nominate employees and then claim payments. All requirements need to be met. The other Economic Stimulus Measures do not relate to charities.
- The ATO, ACNC and Treasury have worked together to make the experience for DGRs to transition to the ACNC Register as seamless as possible. Following a public consultation process late last year, Treasury are currently drafting a legislative instrument on this to be released for public consultation
- Community sheds could apply to be DGR endorsed (if eligibility requirements are met) from 1 October 2020. The ATO has received approx. 120 applications, with just over half being endorsed.
- The Refund of franking credits projects has three parts: push pilot process, streamlining existing processes and payments of refunds. On average the ATO receives around 5,000 claims per year from charities.

- The Online Services for Business will replace the existing Business Portal from mid-2021 and more information will be distributed over the next few months.

#### **Agenda Item 4: Modernising Business Registers and Director Identification Numbers**

The Adviser Forum received a presentation from Tammy Gardener and Eleanor Beer, ATO, on Director Identification Numbers. Key messages:

- The Modernising Business Registers (MBR) program aims to enable a whole-of-government business register platform that is reliable, accessible and secure. The Director ID (a unique 15-digit number given to an existing or intending director who has verified their identity with the register) is a key component within the MBR program and will cater for approx. 2.7 million company directors. It applies to corporate bodies registered under the Corporations and CATSI Acts and ensures fictitious directors are removed from the register, data integrity is improved, and regulators are assisted in addressing illegal phoenix activity. myGov ID will be used to authenticate identity (for digital applications).
- Work is currently being done to understand key messages to provide to industries, members/advisors and on how aliases/other names known by will be addressed.
- A soft launch, to encourage directors to apply for a Director ID, will be tested in the next few months (via a digital channel).
- The compliance approach will focus on building awareness and fostering willing compliance.

#### **Agenda Item 5: Update on the review of the ACNC Registration Form**

Raj Aiyappan, ACNC Manager, provided an introduction on the review of the ACNC Registration Form.

- A number of updates have occurred within the ACNC registration form over the years, including the incorporation of legislative changes. Most recently, the External Conduct Standards and Community Sheds DGR endorsement have been included and functionality issues have been addressed.
- The ANAO Audit resulted in a recommendation that the registration form seeks appropriate information on which to assess compliance on the legislative requirements and the 2018 Legislative Review also identified registration aspects that needed to be addressed. Governance Standard 6 and DGR Reform bills have also recently been introduced.
- The ACNC has been analysing requests for information to identify trends on information we regularly seek, in order to minimise multiple requests for information, as well as exploring capabilities to make the form smarter and to remove unnecessary questions.
- Consultation with the Adviser Forum and Sector Forum will be conducted soon.

#### **Agenda Item 6: Treasury Update**

Jacky Rowbotham, Principal Adviser, Treasury provided an update. Key messages:

- Governance Standard 6 requires registered charities to take reasonable steps to join the National Redress Scheme for Institutional Child Sexual Abuse if the charity is or is likely to be

identified as being involved in the abuse of an applicant for redress under the Redress Scheme. If a BRC does not join the Scheme, it will no longer be a BRC.

- Consultation on exposure draft legislation proposing expanding the scope of Governance Standard 3 under the ACNC Act closed on 14 March 2021. Treasury are currently considering the submissions.
- Consultation was also open on increasing the financial reporting thresholds for ACNC registered charities (proposed as part of the ACNC Review). The proposal involves lifting reporting thresholds for medium charities from \$250,000p.a to \$500,000p.a and large charities from \$1,000,000p.a to \$3,000,000p.a. This was open until 21 March 2021 and has received strong support.

### **Agenda Item 7: Facilitated discussion**

Anna Longley, ACNC Assistant Commissioner led a discussion on members benefits, donor benefits and using the Charity's brand.

Jennifer Batrouney QC, Law Council Charity and NFP Committee, took the Forum through a hypothetical example.

- The Forum discussed how the public benefit requirement is understood by the sector, when member and donor benefits and selling charity brands are unacceptable and whether ACNC guidance on this is required (there is some guidance on member benefit contained in the template Company Limited by Guarantee constitution on the ACNC website).
- A Commissioner's Interpretation Statement on NFP/public and private benefit was suggested and supported by members of the Forum.

### **Agenda Item 8: Update on NFP Financial Reporting Framework**

Fridrich Housa, Technical Director, AASB, provided an update on the NFP Financial Reporting Framework. Key messages:

- Following the decision in November, the Board decided to work on the consultation paper for public comment to be released later this year. The Board have tentatively made decisions on Tiers 1 and 2 being available for NFP private sector entities, to develop a Tier 3 and not to specify application thresholds for the tiers or to include any service performance reporting proposals in the consultation document.
- There will be a two-year lead time for any changes.