



Adviser Forum – Thursday 21 March 2024

Agenda Item 1: Welcome

Sallyann Stonier, Director of Registration ACNC, opened the meeting with an Acknowledgement of Country and extended a warm welcome to all the members of the ACNC Adviser Forum.

No conflicts were declared.

Agenda Item 2: Commissioner's update

Sue Woodward AM welcomed everyone to the meeting. Provided updates on the following 3 key areas.

Staffing update

- Clayton Boundey has joined as Assistant Commissioner, bringing experience from the National Emergency Management Authority. He oversees IT, Reporting, Red Tape Reduction and Corporate Services, Advice and Education and Public Affairs.
- Sallyann Stonier, previously Acting Assistant Commissioner, has returned to her role as Director of Registration.
- Sharon Deano has joined from the ACCC on a short-term secondment, contributing to compliance and governance aspects, including the AI project.

Current work highlights

- Annual reporting remains a key focus, with a 4% increase in on-time lodgers since COVID, bringing it to 72%.
- Implementation of a new strategy to send welcome letters to new Responsible People, aiming to increase awareness of responsibilities, encourage sign-ups to the Commissioner's column, and educate on reporting and compliance obligations.
- Addition of a question on the registration form regarding Self-Assessed Income Tax Exempt (SAITE) organisations to facilitate aggregated data feedback to ATO and to identify the allocation of necessary resources for increased registration applications.
- Integrity work concentrates on the Charity Register and Compliance, with recent findings published on DGR reviews:
 - 39% charities back on track
 - 17% no longer eligible.
 - Detailed information available on the ACNC website.
- Compliance team overview and findings published on ACNC website, focusing on regulatory advice, self-evaluations, compliance reviews, and investigations. Next year's compliance review areas outlined. Collaboration with other government agencies, including formal induction into the Fraud Fusion Taskforce.



Upcoming work highlights

- Secrecy provisions reforms tabled in parliament, to be debated later this year.
- SAITE rollout is a priority task requiring input from all stakeholders to streamline our part of the processes as well as to work with the ATO.
- Equality Australia appeal ongoing, efforts focused on producing a clear and accurate Commissioner's Interpretation Statement in a complex area of law.
- Submission of a draft report to the Productivity Commission's initial paper discussion, awaiting final report to Government in May 2024.
- Continued involvement in the NFP blueprint led by the Department of Social Services, with a contributed submission available to read.
- Preparation for the 10th edition of Australian Charity Report, offering a decade of data analysis for sector insights and trend identification.
- Ongoing Red Tape Reduction work supporting State and Territory regulators with nationally consistent principles implementation.
- Commissioner-level meetings with ASIC, Privacy Commissioner, and international regulators. Themes covered to enhance cybersecurity efforts and address challenges with ACNC and ASIC registers.

Agenda Item 3: Integrity Declaration

Natasha Sekulic acting Assistant Commissioner General Counsel (Tash) provided an overview of the Integrity Declaration, outlining its purpose in ensuring good governance and confidentiality within the forums.

The declaration addresses three key aspects:

- Confidential discussions: All information discussed in these forums must remain confidential.
- Handling of documents: Any materials provided for discussions on confidential matters are also confidential and must be securely managed.
- Reporting breaches: If information is not properly secured and an incident occurs, immediate notification is required.

The Integrity Declaration emphasizes the continuous duty to disclose and handle conflicts of interest and maintain confidentiality to protect the integrity of shared information. The final version of the declaration will be circulated along with an FAQ document. Information already in the public domain may be shared with colleagues. Tash clarified that the declaration applies exclusively to confidential information.

Questions can be directed to natasha.sekulic@acnc.gov.au and will be addressed in the FAQ document. Several forum members raised questions, to which Tash provided responses. Additional inquiries will be covered in the FAQ document.

Agenda Item 4: Member discussion

- Fridrich Housa provided an update on the notice of some outreach his organisation plans to do in coming months on forthcoming IFRS 18 and IFRS 19. Fridrich asked the ACNC to include communication about this to forum members.



Members raised various questions regarding:

- Increased requests for evidence and policies for PBI applications, particularly those operating overseas.
- Publication on de-identified cases – concerns regarding ACNC taking an approach of a blanket rule in relation to governance standard 5, particularly in the context where the Corporations Act provisions are still turned on.
- Proposal to include an option on the registration form to add the primary contact person of the application as an Authorized Person to the charity upon registration.
- SAITE organizations seeking charity registration with the ACNC and requesting backdating of registration.
- Incorporated Associations in Victoria, part of an ACNC group reporting, being asked to report separately to Consumer Affairs Victoria (cannot use the streamlined reporting arrangement).
- Challenges encountered with the ABR when an Incorporated Association transitions to a company under the Corporations Act while attempting to retain their ABN.
- Updated guidance on SAITE entities.
- Processing times for new registration applications and allocation of cases to Law Interpretation Analysts.
- Reviewing the charter for the forum and discussing if membership should remain at 35.
- Financial reporting concerns with upcoming changes resulting from proposed Tier 3 reporting.

Directors from relevant areas of the ACNC engaged in discussing these matters and addressing some of the questions.

Agenda Item 5: ACNC update

Rob Jackson, director of IT provided a brief update:

- ACNC is involved in a generative AI trial led by the Digital Transformation Agency, which involves Copilot (a Microsoft 365 product).
- The IT team is currently in the development phase of the new registration form.

Melville Yates, director of Reporting Red Tape Reduction and Corporate Services provided updates on:

- Planning minor adjustments to the 2024 AIS form.
- Discussing related party transactions reporting considering recommendations in the draft report issued by the Productivity Commission.
- Once data from the 2032 AISs is collected, reviewing related party transaction reporting to assess if changes are necessary.
- ACNC will submit feedback to AASB regarding changes to Tier 3 reporting.
- Enhancing the information on the ACNC careers page.
- Monitoring changes made by the Department of Finance to templates used by government agencies for grants and seeking feedback from the advisers and participants of charities on these changes.



Australian Government

OFFICIAL



Australian
Charities and
Not-for-profits
Commission

Amanda Watkins, acting director of Compliance provided updates on:

- Participation in the Fraud Fusion Taskforce, aimed at addressing fraud and criminal activity in government payments programs.
- Engaging with charities to understand their governance practices concerning cybersecurity, including risk identification and management, as well as employee and volunteer training on cybersecurity and cyber threats.
- Publication of the compliance review report on the ACNC website.

Dipika Pal, acting director of Legal and Policy provided the following updates:

- Monitoring the Equality Australia appeal and anticipating additional guidance on Public Benevolent Institutions as a whole.
- Addressing changes to the definition of 'government entity' and how these changes will impact the handling of new registration applications.

Rachel Smith, director of Advice and Education and Public Affairs, provided the following updates:

- The Advice team has been assisting charities experiencing difficulties with an error message when trying to lodge forms. Guidance has been published on the ACNC website to aid them in self-correction.
- Introduction of a 'Responsible People welcome email.'
- Consideration of setting up a new phone line for SAITE (Self-Assessed Income Tax Exempt) organizations.
- Development of an online tool for self-assessment of ongoing eligibility to be a registered charity and eligibility to become one.
- Updates to various topics published on the ACNC website.
- Migration of eLearning from a third-party vendor's platform to the ACNC website.

Raj Aiyappan, Technical director of Registration:

- Discussed updates to the registration application form and invited forum members to volunteer for testing. Those interested in participating can reach out to Raj via email at rajan.aiyappan@acnc.gov.au.
- Recently developed a 'bulk' registration form for use by multiple organisations applying for charity registration. The form will streamline the registration process; however, it won't be fit for everyone.
- Encouraged sector/advisor members to share feedback if their clients or members are impacted by SAITE and charity registration.

Agenda Item 7: E-Learning

Gabrielle Aitken from Education and Public Affairs demonstrated a preview of the new e-learning modules being developed for our website. Using the test environment, she showcased the updated features being developed.

OFFICIAL



Agenda Item 8: NFP update

Jennifer Moltisanti from the ATO presented a slide deck and updated the forum on SAITE. Additional slides outlined new reporting requirements for SAITE. The ATO is introducing an IVR (Interactive Voice Response) channel to facilitate the lodging of self-review returns over the phone. These returns are expected to take approximately 10 minutes to lodge and can also be submitted by tax agents. Detailed guidance is provided on the ATO website. Slide decks will be shared with forum members for future reference.

Agenda Item 9: Treasury update

Treasury was unable to attend the meeting and provided a written update after the Forum including:

Treasury's focus in recent months has been on:

- Understanding the Productivity Commission (PC) interim report on their Inquiry into Philanthropy
 - The final report will be delivered to the Government on 11 May, and it must be tabled in Parliament within 25 sitting days of receipt.
- Engagement with the Blueprint Expert Reference Group (BERG) as they develop their Blueprint for the NFP sector
 - While the BERG and the Blueprint have a somewhat different scope and terms of reference to the PC Inquiry into Philanthropy, Treasury is an observer on the BERG committee and is working closely with DSS to ensure that any potential Government response to both measures is coherent and consistent across the two processes.
- Specific listings:
 - Treasury has been busy working on progressing proposals for specific listings ahead of the release of the Budget in May.
- Legislation:
 - *Treasury Laws Amendment (Support for Small Business and Charities and Other Measures) Bill 2023* containing the measure to facilitate certain community charities to achieve DGR status has passed through the house and is now before the senate.
 - The Ministerial Guidelines have yet to be put out for consultation, Treasury hopes to be able to publish those for feedback sometime in coming months.
 - *Treasury Laws Amendment (Better Targeted Superannuation Concessions and Other Measures) Bill 2023* containing amendments to the ACNC Act to enact Area 2 reforms to the Secrecy provisions was introduced to Parliament on 30 November 2023 and is currently before the House of Representatives.
 - Further policy work on the Area 3 secrecy provisions is ongoing within Treasury, further information will be provided when possible.
 - Remake of the *Charities (State or Territory Government Entity) Instrument 2023* was registered on the Federal Register of Legislation in February.

Agenda Item 10: Closing remarks

- Murray Baird congratulated Sallyann Stonier for 12 years at the ACNC.
- Regulators Day is scheduled for August 2024.



Australian Government

OFFICIAL



Australian
Charities and
Not-for-profits
Commission

- The next forum meeting was originally planned for September 2024, but efforts will be made to schedule it earlier to ensure all four meetings are evenly spread throughout the year.
- Express your interest in the membership refresh by the end of April 2024. The refresh was initiated at the end of 2023.
- Clayton Boundey and Sue Woodward will collaborate to ensure all members are in place, refreshes are completed, and any new members are onboarded effectively.
- Sallyann Stonier thanked members for their participation and concluded the meeting at 12.54pm

OFFICIAL