

**Senate Standing Committee on Economics**

**ANSWERS TO QUESTIONS ON NOTICE**

**Treasury Portfolio**

Additional Estimates

26 February 2014

**Question:** AET 3157

**Topic:** ACNC Compliance Requirements

**Hansard Page:** pg. 110, 26 February 2014

**Senator BUSHBY asked:**

**CHAIR:** I have a few questions for the ACNC, so I will ask those now as well while you are here. The first is a general question following on from Senator Siewert: has the ACNC received any feedback from not-for-profits regarding the difficulty of meeting your compliance requirements?

**Ms Pascoe:** I will answer in a number of ways. We have a complaints line, and I will take on notice the exact number. It is a very small number of the complaints, but I can bring that back to you. In a general sense, I would say to the contrary in that the current requirement is for the 2013 annual information statement, which has no financial reporting requirements, so it is really entering key corporate data in. We now have a portal so that the charities themselves, whom we have given a password, can enter it themselves. Any notifications of changes that need to be made they can do themselves as well.

**CHAIR:** In terms of not-for-profits, you mentioned complaints. Complaints are one thing, but have you had feedback from not-for-profits saying—

**Ms Pascoe:** From peak bodies or—

**CHAIR:** Yes, or from individual not-for-profits or their peak bodies saying, 'Look, it is hard to meet these requirements for these reasons'.

**Ms Pascoe:** I would have to say, not in a general way. It would be fair to say that there are particular peak bodies that do not like aspects of the reporting, particularly the financial reporting.

**CHAIR:** Perhaps you can take on notice what those might be.

**Ms Pascoe:** Sure.

**Answer:**

Consultation with NFP sector regarding compliance requirements (2013 Annual Information Statement)

In December 2011, public consultation was held to determine the contents of the 2013 Annual Information Statement.

In December 2012 the ACNC consulted with an additional 15 charities and advisors as a means of user-testing the 2013 Annual Information Statement prior to its release in July 2013.

Compliance with current requirements

From 1 July 2013 to 31 March 2014 (the due date for the 2013 Annual Information Statement for the estimated 30,000 charities that report on a standard financial year), the ACNC received over 25,000 Annual Information Statement submissions. This is an estimated compliance level of 83%.

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To support charities in meeting their compliance requirements and submitting their first Annual Information Statement, the ACNC:

- Wrote to charities to inform them of their obligations,
- Granted charities an extension of three months,
- Published detailed guidance on our website,
- Hosted social media discussions, and
- Provided tailored guidance and support via our Advice Services phone line and email address.

#### Complaints received about compliance requirements

From 1 July 2013 to 28 February 2014, the ACNC received 42 complaints via the Advice Services phone line and email address regarding the compliance requirements under the ACNC Act.

During this period the ACNC received 37,334 calls and emails, and 88 compliments about the ACNC.

While the 42 complaints listed above are taken seriously by the ACNC, they represent less than 1% of correspondence received during this period.

Over 25,000 registered charities submitted their 2013 Annual Information Statement on time (prior to 31 March 2014), a compliance level of over 83%.

#### Ongoing feedback regarding compliance requirements from the not-for-profit sector

The ACNC has open and regular dialogue with charities and peak bodies regarding the reporting requirements under the ACNC Act. Two specific examples are the Professional User Group, and the Sector User Group.

The Professional User Group meets three times a year and consists of 39 representatives from law firms, tax advisors, accounting firms, insurers, and consultancies who work with the charitable sector. The Sector User Group also meets three times a year and consists of 32 representatives from charities and peak bodies.

These groups provide ongoing comment on matters of procedure, publications and sector interaction to assist the ACNC to improve its regulation of charities and to be open and accountable about the way we work and the thinking behind our processes.

Both groups are forums for raising concerns with the compliance requirements under the ACNC Act.

#### Feedback on financial reporting requirements

The 2014 Annual Information Statement will mark the first time registered charities will be required to provide financial information to the ACNC.

To ensure charities are able to meet this requirement, the ACNC conducted an open consultation with charities, peak bodies, advisors and interested members of the public in March 2013.

The ACNC received a total of 160 responses, made up of an online survey (116 responses) and written submissions (44 responses).

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A diverse range of feedback was received regarding the ACNC's proposed 2014 Annual Information Statement. This ranged from concerns that the proposals may place unnecessary reporting obligations for some charities, to supportive responses which welcomed more disclosure in the not-for-profit sector.

In response to this feedback, the ACNC removed three financial questions entirely, simplified another, developed detailed guidance to help smaller charities, and overall, significantly reduced the financial reporting requirements.

The following is a list of charities, peak bodies and professional advisors that provided a written submission to the 2014 Annual Information Statement consultation:

#### Charities

[Anglican Church Diocese](#)

[BoysTown](#)

[Beehive Industries](#)

[Good Beginnings Australia](#)

[Legacy Australia Council Inc](#)

[Palmerston Association](#)

[Royal Flying Doctor Service](#)

[UnitingCare Australia](#)

[Uniting Church in Australia](#)

[Wanslea](#)

[YWCA Australia](#)

#### Peak bodies

[Association of Australian Medical Research Institutes](#)

[Australian Accounting Standards Board](#)

[Australian Blindness Forum](#)

[Australian Catholic Bishops Conference](#)

[Australian Council for International Development](#)

[Australian Institute of Health and Welfare](#)

[Catholic Social Services Australia](#)

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[Chamber of Arts and Culture WA](#)

[Community Employers WA](#)

[Council of Social Service of New South Wales](#)

[National Catholic Education Commission](#)

[National Disability Services](#)

[National Native Title Council](#)

[NSW Federation of Housing Associations](#)

[Queensland Law Society](#)

[QUT School of Accountancy](#)

[WACOSS](#)

**Advisors**

[BDO \(QLD\)](#)

[Chartered Secretaries Australia](#)

[CPA Australia](#)

[Grant Thornton Australia](#)

[Institute of Chartered Accountants Australia](#)

[Moore Stephens Australia](#)

[Not for Profit Accounting Specialists](#)

[PilchConnect](#)

[Pitcher Partners](#)

[PricewaterhouseCoopers](#)

**Other**

[Dr Ted Flack](#)

[John Church](#)