

14 January 2025

Treasury
Not-for-profits Unit
Langton Cres
Parkes ACT 2600

Via email: charitiesconsultation@treasury.gov.au

Dear Treasury,

Extension of charity transitional reporting

Thank you for the opportunity to provide a submission to the Treasury consultation on the extension of charity transitional reporting arrangements.

The Australian Institute of Company Directors' (**AICD**) mission is to be the independent and trusted voice of governance, building the capability of a community of leaders for the benefit of society. The AICD's membership of 53,000 reflects the diversity of Australia's director community, comprised of directors and leaders from across the not-for-profit (**NFP**), listed, private and government sectors.

The NFP sector is a major focus of the AICD's work with a majority of our members involved in the governance or management of NFPs, many of them making contributions as directors on a voluntary basis. The AICD supports good governance in the NFP and charities sector through the AICD's [NFP Governance Principles](#), NFP governance tools, and NFP governance education, including more than [200 scholarships](#) provided to leaders of small NFPs annually.

The AICD has long advocated for promoting sound NFP governance practices and reducing the regulatory burden on NFPs and charities. In our submission to the Blueprint Expert Reference Group Not-for-Profit consultation,¹ we reiterated our call for NFP regulation that is coordinated, proportionate, and promotes financial sustainability. Uncoordinated and inefficient regulation increases the compliance burden on NFPs and charities, diverting resources away from service provision, and placing greater oversight demands on directors, the vast majority of whom are unpaid.²

1. Key points

- **The AICD strongly supports the extension of charity transitional reporting.** We welcome the continuation of this measure to reduce the duplicative financial reporting obligations on over 3000 charities. We note that the Australian Charities and Not-for-profits Commission (ACNC) has transitional reporting arrangements for charities registered with the Office of the Registrar of Indigenous Corporations (ORIC), non-government schools reporting to the federal Department of Education, and cooperatives across jurisdictions.³

¹ AICD (20 December 2023). Policy submission – Blueprint Expert Reference Group NFP consultation. Available [here](#).

² AICD (9 January 2025) Publication – NFP Not-for-Profit Governance & Performance Study 2023-24. Available [here](#).

³ ACNC (9 January 2025). Transitional reporting arrangements. Available [here](#).

- **Whilst not the specific focus of this consultation, the AICD also provides support for the implementation of key regulatory initiatives from the recent NFP Sector Development Blueprint (the Blueprint) – a ten year roadmap of essential reform for the sector.**⁴ This includes support for the Blueprint's timetable prioritisation (Year 1 – 2) of cross-jurisdictional harmonisation of standards and regulations that affect the NFP sector (Initiative 1), improving the financial sustainability of the NFP sector (Initiative 4), and supporting public knowledge of the NFP sector and its contributions (Initiative 6). Regarding Initiative 1, we are particularly supportive of expediting the implementation of the National Fundraising Principles, as a member of the #FixFundraising Coalition.⁵ We note that not all states and territories have fully implemented the Principles, so there remains inconsistency between jurisdictions.⁶ The AICD has long been an advocate for a consistent approach to fundraising laws to ensure that the sector is not hamstrung by complex and unnecessary regulation.

2. Next steps

We hope our submission will be of assistance. If you would like to discuss any aspects further, please contact Sean Dondas, Policy Adviser at sdondas@aicd.com.au.



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⁴ Department of Social Services (28 November 2024). Not-for-profit Sector Development Blueprint. Available [here](#).

⁵ AICD (16 February 2023). Media release. Fundraising harmonisation a win for charities. Available [here](#).

⁶ Justice Connect (28 November 2024). Fundraising and holding events. The National Fundraising Principles. Available [here](#).