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CHARITIES ALERT ABOLITION OF THE ACNC

30 JUNE 2014

The Senate Committee report on the Bill to abolish the ACNC has been released. The majority of the Committee recommend passing of the Bill and the dissenting ALP and Greens senators recommend against it.

The Committee considered a number of submissions complaining about the process of abolishing the ACNC before details of what will replace it are known. The majority report includes the extraordinary statement - *The bill is intended to provide certainty to the not-for-profit sector, the ACNC and other regulators, by making it clear its intention to abolish the ACNC. It is better to provide this certainty now, rather than delay while the details of the No. 2 bill are worked out in consultation with the sector.* In fact, this process provides only certainty on the government's determination to abolish the ACNC.

However, the government has since announced it will soon be issuing an options paper explaining its ACNC replacement arrangements and providing options on how key functions would be transitioned to the ATO and ASIC. Submissions will be invited on the options paper.

In the meanwhile, current ACNC requirements remain the law until repealed and replaced, which looks like it is still some time away. We recommend continuing compliance with ACNC requirements until new legislation replaces it.

On a related issue, the ATO has said that charities need to check that they are not on the ACNC's list of missing charities and should provide up-to-date contact details if they are still operating. If the ACNC does not hear from these charities by 30 June 2014, it will start a process of revoking their registration as charities. This will likely have significant adverse consequences for those charities regardless of what replaces the ACNC. For more detail on this [click here](#).

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