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Governance

Boards fail to formalise cybersecurity measures

A new study by the Australian Institute of Company Directors and the Australian Information Security Association has revealed that while most Australian directors see cybersecurity as a high priority boards lack formal oversight of the issue.

More than 850 directors were surveyed for the *Boards and Cyber Resilience* study, which investigated board preparedness for cybersecurity incidents and the state of benchmarking.

It found that 72 per cent of respondents said that cybersecurity was a 'high priority' for their board. A recent *Director Sentiment Index* mirrored the finding, cybersecurity having become the top-ranking problem that kept directors 'awake at night'.

Gaps in implementing cyber-governance frameworks were found, only half (53 per cent) of directors saying that their organisation had a formal cyber-security strategy in place.

Other results indicating that there was still room for improvement in board oversight, included:

- Only 44 per cent of directors received training in cyber risks, and even fewer (23 per cent) had appointed directors with cyber skills
- Around 39 per cent of directors said that they had made cybersecurity a specific focus of a board committee
- 36 per cent of directors said that they received regular reporting on internal training and testing, and
- Just 21 per cent of directors received reporting on the cyber performance of key third-party suppliers.

AICD managing director and CEO Angus Armour said, 'Directors are awake to the risk of cyberattacks but that awareness needs to translate into action at a board level to ensure proper oversight of cyber issues.

'These results suggest that many Australian boards need to set higher expectations around the information they receive from management to have effective oversight of cyber practices.

'As well as receiving regular reporting on cyber strategy and cyber-security policies, boards that are advanced in cyber governance practices are making cybersecurity a specific focus of a board committee and undergoing dedicated director training.'

AISA chair Damien Manuel said, 'The pandemic has pushed many organisations to digitally transform without the appropriate level of information and data governance and oversight. Boards need to rapidly increase their ability to adequately respond to cyber incidents that adversely [affect] the organisation's reputation, staff, trust with customers, and suppliers.

'Cyber security needs to be aligned to the organisation's business objectives and strategy. It should be seen as a business enabler and not as a stand-alone function. It should be integrated at a people, business process, and technology level. At the end of the day, it's a risk we need to manage in our personal and work lives.'

In a positive sign, in the past year alone, three in four directors reported increased investment in cybersecurity, 33 per cent saying that it had increased 'significantly'.

Other key findings from the Boards and Cyber Resilience study are:

- 89 per cent of directors say their businesses have one or more characteristics that make them especially susceptible to a cyber-attack, such as holding sensitive customer, client, and member data, or providing a service to government
- Compared with their private-sector counterparts, government and NFP-sector organisations are more likely to have characteristics that make them vulnerable due to the sensitive nature of the data they hold (94 per cent and 92 per cent respectively)
- Only 36 per cent of SME directors have a formal cyber framework in place, 45 per cent instead opting for an informal strategy. This compares with about three in four listed companies that have formal frameworks
- 42 per cent of NFP directors report having a formal cyber framework in place, 20 per cent reporting the absence of any cyber framework or strategy (whether formal or informal)
- Small (63 per cent) and medium (52 per cent) sized organisations are more likely than larger organisations (45 per cent) to have limited resources to dedicate to cyber-resilience

- Directors of small organisations are five times more likely than their big-business counterparts to believe that their entity will be unable to recover from an attack
- More than half of directors (56 per cent) state that a lack of resources is impeding the improvement of organisational cyber-practices. This number increases to 64 per cent for NFPs, and
- More than half (56 per cent) of directors report having a cyber insurance policy in place, and a further 15 per cent are looking for cover, which is increasingly difficult to obtain.

Download the report from www.aicd.com.au.

Climate-change help for NFPs

A survey of 570 not-for-profit leaders (Research Report: Greening the Not-for-profit Sector) by the Institute of Community Directors has revealed that the sector could make a big impact on Australia's carbon emissions and NFPs could make significant savings by accelerating a shift to greener vehicles and power.

The survey found that:

- Buildings owned or operated by NFPs can be used to generate green power: 77 per cent of survey respondents own, lease, or rent at least one building. More than a third already have solar panels but 58 per cent would like to make this shift. There is strong interest in battery storage
- NFPs could cut costs by trading-in petrol cars: 57 per cent of those surveyed own or lease at least one car, an average fleet-size being five. NFPs spend on average $430 a week on fuel. If they sourced electricity through solar panels a typical organisation could offset the cost of one $45,000 car in just two years. Those without access to 'free' power could still make major savings on petrol and maintenance by cutting back car use or switching to an electric or more efficient vehicle, and
- Many NFPs want to source green power: Only 6 per cent of respondents use 100 per cent green power, but 83 per cent would like to.

The research report may be accessed at communitydirectors.com.au/research/greening-the-nfp-sector.

A new website (communitydirectors.com.au/tools-resources/zero) has practical tools for community leaders and aims to help the $176 billion NFP sector cut greenhouse gas emissions and respond to climate change.

A Net Zero Heroes website includes help sheets about key climate-change concepts, mitigation and adaptation strategies, and tools to help NFPs take action, including a free funding-discovery portal.

The site focuses on three major strategies for cutting greenhouse gas emissions:

- Shifting to green power
- Installing solar and batteries, and
- Changing car fleets to hybrid and electric vehicles.

Guidance on Effective AGMs

As organisations across Australia head towards peak AGM season, the Governance Institute of Australia has issued a comprehensive guide to holding AGMs under laws that now allow hybrid and online options.

This year's meeting season will be the first significant test of the recently updated Corporations Act, amended to allow organisations to meet in a hybrid or online format (as long as their company constitution allows it).

Effective AGMs is a complete guide to holding an AGM under the new laws. It also counsels on effective member engagement. It's mandatory reading for directors, senior managers, and governance and risk-management professionals.

The report outlines:

- The purpose of an AGM
- What to do – before the AGM, at the AGM, after the AGM
- A regulatory timeline for AGMs, and
- An AGM logistics checklist.

The report also offers key tips for using technology to conduct meetings: 'There are many logistical aspects that need to be worked through in advance of an AGM to ensure the use of technology during the meeting is seamless, particularly in relation to how questions will be conducted'.

The report may be downloaded from www.governanceinstitute.com.au.

Business leaders have poor digital skills

Many business leaders remain under-skilled and struggling to keep up with a fast-changing digital landscape, Driving the digital revolution: A guide for boards has found.

Released by the Governance Institute, the report found that 21 per cent of organisations fail to have digital changes underway, and more than half of the respondents have few, if any, directors with core technology skills.

Of those without digital transformations, 40 per cent said it was not a priority and 25 per cent said it was because they failed to have the required skills.

The report's findings are based on a survey of 481 CEOs/C-suite executives, non-executive directors, and senior governance and risk professionals.

Key findings include:

- 41 per cent say less than a quarter of their board members have technology skills, and 13 per cent have no directors with digital skills
- 21 per cent of respondents have no digital transformation underway
- Only 33 per cent say their digital transformation involves strategic innovation and adaptation
- 46 per cent rate their organisation average or poor when it comes to data management, an element considered crucial for an effective digital transformation
- 93 per cent say that boards should be involved in technology issues but 34 per cent say their board is not dealing competently with tech issues. Forty-seven per cent say that this is due to a lack of tech skills and education among board members, and
- The top technology risks to organisations are cyber security and cyber-attacks (62 per cent), data governance (49 per cent), and staffs' technology skills/knowledge (48 per cent).

As a director, you don't need to be a tech expert, but you do need to understand enough to ensure that you are part of tech conversations that matter.

Harassment toolbox launched

Concerned about slow action on workplace sexual harassment, Chief Executive Women (CEW) has launched a digital 'toolkit' designed to stamp out poor workplace behaviour.

Respect is Everyone's Business includes:

- Frameworks and scripts to help start conversations on workplace behaviour issues
- Suggested wording that can be used in risk registers and codes of conduct, and
- Templates.

With one in three people experiencing workplace sexual harassment, and, of those who witnessed it, only a third acting, swifter governance measures can't come soon enough, CEW's president Sam Mostyn AO says.

'It's time to end sexual harassment in the workplace', she added.
'That means creating safe, equal, zero-tolerance workplace cultures, demonstrating leadership, and holding perpetrators to account.

'CEW has built a range of resources to kickstart these discussions as well as navigate the potential resistance you might find and ensure you can back your words with action.'

Governance Institute of Australia consulted with CEW on the toolbox's governance measures and its CEO Megan Motto welcomed the launching, saying that stamping out harassment is an issue for everyone.

'By arming boards and senior managers with actionable steps, we can have a serious impact on stamping out workplace sexual harassment,' Ms Motto said.

'Respect is everyone's business.'

Access the resources at cew.org.au.

Procurement integrity answers

The Institute of Internal Auditors in Australia has released The 20 Critical Questions Series: What Directors should ask about Procurement Integrity (Probity). The biggest question is, How does management, the audit committee, and board of directors clearly know that there is sound and transparent integrity around procurements?

The 20 questions may be downloaded at www.iia.org.au.

AICD launches guidance on audit quality

The Australian Institute of Company Directors and the Auditing and Assurance Standards Board have joined forces to produce a new guide designed to ensure high standards in overseeing financial reporting.

The *Periodic Comprehensive Review of the External Audit* provides directors with a practical resource to govern their company's audit arrangements more proactively and effectively.

It offers step-by-step guidance to assist audit committees conduct a more in-depth and formal process for assessing the quality of their auditor.

Audit is a key integrity measure in a company's governance framework, and the guide is an extra tool at their disposal.

It contains advice on creating a more regular framework for comprehensive reviews and enhanced disclosure measures to promote greater transparency of the processes audit committees use to assess the quality of an auditor.

Factors that should be considered include technical competence, the auditor's ability to translate knowledge into realistic analysis, understanding of the business, industry, and/or environment it operates within, risk areas, and key issues.

The guide also details the need for audit committees reviewing the work and performance of company auditors to communicate a well-informed conclusion to the board on whether to retain the auditor or remove him or her.

Audit-quality standards are high in Australia and maintaining them is central to stakeholder and investor confidence in financial reporting and the operation of capital markets.

The guide may be accessed at www.aicd.com.au.

ACNC Activities

ACNC urges charities to consult website

The Australian Charities and Not-for-profits Commission is urging charities to consult its website for practical guidance and tips to simplify the filing of annual information statements.

The commission's director of reporting, red-tape reduction, and corporate services Mel Yates said the hub was especially useful this year as charities needed to understand some recent changes.

'There are new charity size thresholds, and, for large charities, there are new requirements to report salaries and remuneration of some of their leaders – key management personnel such as their CEOs or board members', Mr Yates said.

'The hub contains information and resources that explain those changes as well as a wealth of other useful guidance and tips.'

Mr Yates said the hub had a tool to preview the relatively new charity-programs section of the annual statements so that charities could become familiar with what was asked of them and make the most of the opportunity to promote their work to donors, grant-makers, and volunteers.

'Much of the information charities submit in the AIS is shown on the Charity Register, including information about their programs,' said Mr Yates.

'The register is viewed by the public millions of times each year, so it makes sense that charities fully consider the detail they provide about their programs to highlight the vital work they do to the public and potential supporters.'

Visit the hub at www.acnc.gov.au/for-charities/annual-information-statement/2022-annual-information-statement-hub.

Elections spark interest in charity advocacy

With elections on the horizon, ACNC acting commissioner Deborah Jenkins said it was important that charities understood their freedom to advocate for or against an issue.

The issue must, however, be relevant to the charity's work and charitable purpose.

'Put simply, if charities stick to advocating for their purposes and do not endorse a particular political party or candidate, they will be fine', Ms Jenkins said.

'For example, in the lead up to the last federal election, we received nearly 500 concerns from the public about charities who were perceived to be promoting various political candidates or parties.

'We spoke with 19 charities to ensure they understood the difference between endorsing a specific candidate or party and advocating in line with their stated mission – their charitable purpose.'

Ms Jenkins said the ACNC's regulatory approach always started with providing a charity with guidance about the rules.

See guidance on www.acnc.gov.au/charity-advocacy and www.acnc.gov.au/tools/guides/charities-elections-and-advocacy.

Financial Reporting Insights

Tier 3 reporting approaches slowly

The Australian Accounting Standards Board has published a 122-page discussion paper Development of Simplified Accounting Requirements (Tier 3 Not-For-Profit Private Sector Entities), a first step in revising the NFP private-sector financial-reporting framework.

Thankfully, there is a13-page snapshot.

The paper proposes developing a stand-alone accounting standard for smaller not-for-profit private-sector entities.

While the standard will not include reporting thresholds, the proposals were developed based on the expected common transactions of NFP private-sector entities with revenues ranging from $500,000 to $3 million.

Some of the key proposals include:

- A new income recognition model that is simpler to apply
- Accounting-policy choice in preparing consolidated financial statements or separate financial statements with disclosures about an entity's significant relationships
- Leased assets to remain off the balance sheet for lessees supplemented by disclosures
- Accounting-policy choice to record non-financial assets acquired at significantly less than fair value (such as donated assets) at cost or fair value, and
- Fair-value gains and losses of financial assets (such as managed investment schemes) to be recognised at fair value through other comprehensive income.

The proposals are expected to provide simpler accounting while improving the comparability and quality of financial reporting and reducing costs for smaller NFP private-sector entities.

During consultation, the board will also consider removing the ability of not-for-profit private-sector entities to prepare special-purpose financial statements.

The proposals are expected to affect NFP private-sector entities that:

- Prepare SPFSs to satisfy a direction to prepare financial statements in accordance with Australian accounting standards
- Comply with a regulatory direction, gather financial information or prepare various financial statements in accordance with standards' recognition and measurement criteria, or
- Prepare Tier 1 or Tier 2 general-purpose financial statements but could qualify for simpler accounting.

Consultation gives interested stakeholders a chance to help shape the framework, contribute to developing simpler accounting requirements, and reduce preparation costs for smaller NFP private sector entities.

Most importantly, there is a survey to complete, a wise thing to do. It will help with the development of a fit-for-purpose framework.

Go to the www.aasb.gov.au to complete the survey and to access the summary and discussion paper.

Compliance

NFP directors need IDs

The ATO has reminded directors of NFP organisations and clubs registered with the Australian Securities & Investments Commission to get IDs.

Directors who were appointed as a new first-time director on or after 5 April must apply for a director ID before their appointment.

You must apply ASAP if:

- You attend an AGM and are unexpectedly appointed, and
- You are aware you may be elected a director at an upcoming AGM. You may apply up to 12 months in advance.

To find out if your club or organisation is registered with ASIC, you can search for your club or organisation's details, including director details, on https://asicconnect.asic.gov.au.

The fastest way to apply for a director ID is online. There is a step-by-step video that takes you through what you need to do. You will need a myGovID with at least a standard identity strength to complete the application.

The Australian Business Registry Services is focused on providing support and education to assist directors and is encouraging those appointed unexpectedly to apply for their IDs as soon as possible.

ABRS is contacting directors who haven't applied before deadlines elapse. It's a criminal offence to fail to apply and directors may be subject to penalties.

If you can't apply by the date you need to, you may complete an application for a time extension.

Disability services provider signs enforceable undertaking

Community Living & Respite Services Inc has back-paid staff more than $3 million and entered into an enforceable undertaking with the Fair Work Ombudsman.

An NFP disability-services provider in Echuca, Moama, and surrounding areas, CLRS self-reported its non-compliance in 2021.

It underpaid employees' minimum wages between 2015 and 2021 due to incorrect implementation of an equal-remuneration order made by the Fair Work Commission in 2012.

The order increased minimum weekly rates for some employees in the social, community, home care, and disability-services industry.

CLRS first identified underpayments during the process of the Fair Work Commission terminating the Enterprise Agreement that covered staff from 2010 to 2021 and CLRS staff transitioning to the Social, Community, Home Care and Disability Services Industry Award 2010.

The underpaid CLRS employees were primarily disability and aged-care workers and included full-timers, part-timers, and casuals. They provided services to CLRS clients in residential homes and care facilities.

CLRS has paid 391 current and former employees $3.17 million, including back-pay, superannuation, and goodwill payments. Individual payments ranged from $15 to $34,874.

Fair Work Ombudsman Sandra Parker said that an EU was appropriate because CLRS had cooperated and demonstrated a strong commitment to rectifying underpayments.

'CLRS has made significant improvements to its compliance processes since becoming aware of the underpayments, and under the enforceable undertaking has committed to further measures to ensure workers are paid correctly. These measures include engaging, at the company's own cost, an independent auditor to conduct an audit and assess its compliance with workplace laws later this year', Ms Parker said.

'This matter demonstrates the importance of employers placing a high priority on having processes that will ensure they are always fully across workplace laws affecting their industry. In this matter, CLRS's failure to ensure it complied with a significant change in its sector has led to underpayment of basic employee entitlements and a big back-payment bill.

'Any employer who needs help meeting their lawful obligations to their employees should contact the Fair Work Ombudsman for free advice and assistance.'

Under the EU, CLRS is also required to write to staff to notify them of the underpayments and operate an employees' enquiry line.

Other enforceable undertakings have been signed by the University of Newcastle and Charles Sturt University, which are back-paying staff about $6.2 million and $3.2 million respectively, plus superannuation and interest.

Disability services organisation fined

The Fair Work Ombudsman has secured court orders for $37,397 in penalties and back-payment against the operators of a Perth disability-services company.

The Federal Circuit and Family Court has imposed a $17,000 penalty against Sunflower Care Services Pty Ltd, which services Western Australians, and a $3500 penalty against the company's sole owner and director Joseph Karunarathna.

Sunflower had failed to comply with a notice requiring it to back-pay entitlements to six employees it had engaged as support workers between 2015 and 2020. Mr Karunarathna was involved in the contravention.

The court ordered Sunflower to back-pay two of the workers a total of $16,897, plus interest and superannuation.

Sunflower had back-paid the other four workers more than $63,000. The company must also back-pay superannuation entitlements still owed to one of these workers.

Acting Fair Work Ombudsman Michael Campbell said business operators that failed to act on compliance notices needed to be aware that they can face court-imposed penalties on top of having to back-pay workers.

'When compliance notices are not followed, we are prepared to take legal action to ensure workers receive their lawful entitlements', Mr Campbell said.

The FWO began its investigation after getting a request for help from one of the affected workers.

The notice was issued after an inspector decided that the six workers had been underpaid minimum wages and entitlements under the Social, Community and Disability Services Industry Equal Remuneration Order 2012, the Social, Community, Home Care and Disability Services Industry Award 2010, and the Fair Work Act 2009.

Tasmanian provider underpays staff

A Tasmanian disability-services provider has committed to repaying staff after discovering that they had been underpaid for years, resulting in around $700,000 being owed.

The not-for-profit provider Li-Ve discovered that it had been underpaying penalty rates for staff working split-shifts across more than 12 hours.

The amount owed is still being calculated, but chief executive Darren Mathewson said he expects hundreds of staff members have been underpaid a combined amount of up to $700,000.

He said the NDIS-registered Tasmanian provider immediately started auditing its payroll once it had discovered the error.

'We were extremely concerned when we discovered this error and immediately began the work required to audit our payroll and pay all current and former employees their full entitlements as soon as we can', Mr Mathewson said.

The Fair Work Ombudsman is investigating Li-Ve Tasmania.

NFPs and commerce

Given the changing landscape and difficulty many NFPs have in securing regular funding and donations, the ATO is seeing more of them undertake commercial activities to generate income.

While NFPs must not operate for the profit or gain of their members, they are permitted to generate profit by undertaking commercial activities. The activity, however, must be in line with the entity's stated purposes.

The ATO reminds them to:

- Review governing documents to ensure activities and operations are consistent with the NFP's purposes
- Understand the impacts commercial activities may have for the organisation. Specifically, consider whether the commercial activities will affect current tax concessions, including deductible-gift recipient status, FBT, and GST
- Work through employer obligations when hiring new staff, including pay-as-you-go withholding, superannuation, and single-touch payroll, and
- Ensure that appropriate records clearly separate member income from other income sources if accessing mutuality.

Increased leveraging of commercial activities is also driving changes in business models. The ATO has seen NFPs enter joint ventures, partnerships, and shared service arrangements. Additionally, some NFPs are big and have very complex structures.

Many of these self-assess as income-tax exempt and until now have not had to report to the ATO unless they're lodging a BAS or have other obligations.

New reporting requirements for self-assessing NFPs begin on 1 July next year. They support a level playing field with similar (but not the same) regulatory requirements expected for non-charitable and charitable not-for-profits.

The ATO is working with the sector to design and test the form so that all income-tax exempt NFPs, big and small, can meet their obligations easily.

The ATO advises ...

The ATO advises that NFPs should:

- Update contact details with it – It's an ABN registration requirement to keep your contact details up-to-date. It also means you'll receive important information about your tax and super obligations
- Review eligibility for income-tax exemption. NFPs with a charitable purpose are not eligible to self-assess as income-tax exempt but may be eligible for charity registration with the ACNC. If your NFP does not have a charitable purpose, check on ato.gov.au that you meet the criteria for one of the eight self-assessment categories, and
- Continue to meet ongoing reporting requirements –Registered charities are required to submit an annual information statement to the ACNC, taxable NFPs need to calculate their organisation's taxable income and either lodge a tax return or advise a 'return not necessary'.

Set up an ATO payment plan

NFPs having trouble paying their taxes may set up payment plans.

A plan allows organisations to break down a tax liability into smaller, manageable amounts that you may repay in fixed amounts weekly, fortnightly, or monthly until the balance is cleared.

If your organisation owes $100,000 or less, you may set up a plan online or your tax agent may do it on your behalf.

Eligible organisations (with an annual turnover of under $2 million) that owe activity-statement amounts may also be able to pay these off interest-free over 12 months.

If your organisation owes more than $100,000 or is unable to afford an online payment plan, you or your registered agent can discuss options with the ATO.

Fraud

President stole from his football club

A former president of the Gungahlin United Football Club has been found guilty of stealing more than $31,000 from the club.

The ACT Magistrates Court heard that Aaron Alexander spent the money on his personal car lease to the tune of $8000, at a jeans shop, a pet shop, and at the movies.

Magistrate Glenn Theakston also found Mr Alexander guilty of spending the money on fines.

The court heard that Mr Alexander had been in control of the club's finances between September 2016, when the treasurer left, and July 2018, when he was stood down.

He transferred club funds totalling $20,525 to his own account 47 times, entering descriptions such as 'Bunnings', 'Costco', and 'towing' to describe the transactions.

Magistrate Theakston said he did not accept Mr Alexander's explanation that his girlfriend and club members might have used the club's card.

'I find it inherently implausible that the card issued to the defendant was borrowed by unknown others on game days to pay fines or taxes at the ACT Road User Service, or purchase goods or services from Telstra, Hoyts, [or] a pet store', he said.

'The repayment of the defendant's private leasing expenses for his personal vehicle was patently beyond the legitimate use of club funds. There was no evidence that this exceptional arrangement was authorised by the club.'

Mr Alexander was found guilty of more than 60 charges.

He was cleared of several others, including money spent at a darts shop and several cash withdrawals.

He is yet to be sentenced.

Governments

Commonwealth tendering intricacies

If your NFP is applying for a tender valued at more than $4 million (including GST) that is subject to commonwealth procurement rules you will need to obtain a statement of tax record (STR) from the ATO.

To obtain an STR you need to:

- Ensure the obligations relevant to your organisation are up to date. They include registrations of ABNs, GST and tax file numbers, lodgement of at least 90 per cent of your income tax returns, business-activity statements and FBT returns due in the past four years, and payment of undisputed outstanding debts of more than $10,000 or set up a payment plan
- You must satisfy additional criteria if your organisation has a tax record of less than four years
- Complex entities (partnerships, trusts, joint ventures, and consolidated groups) may need to provide additional STRs
- If your organisation has a tax history in Australia of at least four years, the STR will be valid for 12 months, and for less than four years the STR will be valid for six months
- Organisations may apply for an STR by accessing the ATO Online services such as Online services for business or if using a registered tax agent, through Online services for agents. Apply early to allow time for processing before the tender closing date
- If you have not received your STR by the tender closing date, refer to the tender-request documentation to determine what to do. You may be able to provide a copy of the STR request receipt (instead of the STR) with the tender application. You must provide a satisfactory STR no later than four business days from the close of tender and before the contract is awarded, and
- If you did not meet the satisfactory STR criteria, you may be able to take corrective action to bring your obligations up to date. For example, you may lodge your outstanding returns and reapply for an STR the day after the ATO records the corrective action.

For more information see ato.gov.au/STR.

Queensland cuts charities red tape

Red-tape cuts for Australian charities that conduct fundraising are comprehensive, the latest reform in Queensland.

ACNC-registered charities that conduct fundraising in Queensland are from now on required to report information about their fundraising activities only in their annual information statements. The ACNC will share the information with Queensland's Office of Fair Trading, eliminating the need for charities to report to two government bodies.

Queensland incorporated associations that are also registered charities can now report once to the ACNC, also satisfying Queensland reporting obligations.

Acting ACNC commissioner Deborah Jenkins said the big step reduced the burden on charities.

Queensland Attorney-General and Minister for Fair Trading Shannon Fentiman said the reduction in duplicated reporting would save more than 5000 Queensland organisations precious time and money.

'Incorporated associations, charities, and community-purpose organisations are a vital part of Queensland communities and our economy, and I'm pleased that so many will benefit from this reduction in regulatory obligations so they can focus on their core purpose of helping others', Ms Fentiman said.

Queensland association amendments proposed

The Queensland Department of Justice and Attorney-General has proposed amendments to the Associations Incorporation Regulation 1999 and the Collections Regulation 2008.

The amendments support some of the changes made by the Associations Incorporation and Other Legislation Amendment Act 2020 that recently came into effect.

The department's consultation papers seek feedback along the following lines.

Consultation paper 1: Seeks feedback on matters related to the model rule grievance procedure that will apply by default to all incorporated associations unless the association has its own compliant grievance procedure.

Consultation paper 2: Seeks feedback on matters related to the disclosure of remuneration and benefits. Specifically, stakeholder views are sought on what remuneration and benefits details should be disclosed, whether remuneration should be disclosed as aggregate reporting or individual reporting, whether the individual disclosure of benefits is appropriate and whether disclosure should only be required in circumstances where the amount or monetary value of the benefit is over a particular threshold, and the inclusion of related-party transactions as part of the disclosure requirements.

Consultation paper 3: Seeks feedback on matters related to financial-reporting requirements and thresholds, as well as other financial matters. Stakeholders are asked to comment on whether the annual revenue and current asset thresholds for incorporated associations' reporting requirements should be increased, and if so, what the new thresholds should be, whether a threshold system for reporting under the Collections Act should be adopted and whether an audit threshold should apply, and if so, what these thresholds should be, and what financial documents incorporated associations (including ACNC registered entities) and charitable entities (including ACNC registered entities) should be required to maintain.

ATO to release advice for sports and colleges

The ATO will soon release a final games-and-sports exemption ruling and a new compliance guideline for residential colleges.

The latter will be published as a draft for public consultation.

Both products have been developed collaboratively with industry sectors and should make applying the law easier for NFPs.