

EXPLANATORY STATEMENT

Issued by authority of the **Assistant Minister for Finance, Charities and Electoral Matters, Parliamentary Secretary to the Treasurer and Parliamentary Secretary to the Minister for Finance**

Australian Charities and Not-for-profits Commission (Consequential and Transitional) Act 2012

Australian Charities and Not-for-profits Commission (Consequential and Transitional) Amendment (Reporting) Regulations 2020

The *Australian Charities and Not-for-profits Commission (Consequential and Transitional) Act 2012* (Transitional Act) provides rules that enabled an orderly transition from the administration of charities under the tax legislation to their administration under the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act).

Section 4 of the Transitional Act provides that the Governor-General may make regulations prescribing matters required or permitted by the Transitional Act to be prescribed, or necessary or convenient to be prescribed for carrying out or giving effect to the Transitional Act.

The purpose of the *Australian Charities and Not-for-profits Commission (Consequential and Transitional) Amendment (Reporting) Regulations 2020* (the Amending Regulations) is to amend the *Australian Charities and Not-for-profits Commission (Consequential and Transitional) Regulation 2016* to reduce the regulatory burden on a transitional basis for entities (registered entities) registered with the Australian Charities and Not-for-profits Commission (ACNC).

The Amending Regulations do this by extending a transitional concession provided by the Transitional Act so that it applies for an additional five years from the 2019-20 financial year until the 2023-24 financial year inclusive.

The transitional concession allows registered entities to submit statements, reports and other documents produced for an Australian government agency to meet certain ACNC Act reporting obligations.

Targeted consultation on the Amending Regulations was undertaken with the ACNC, however, pursuant to section 17 of the *Legislation Act 2003*, no public consultation was undertaken on the Amending Regulations as they are minor and machinery in nature.

The changes do not affect the substantive meaning or operation of the provisions other than extending the period of the transitional concession. Details of the Amending Regulations are set out in Attachment A.

The Amending Regulations are a legislative instrument for the purposes of the *Legislation Act 2003*.

The Amending Regulations commenced the day after registration on the Federal Register of Legislation.

A Statement of Compatibility with Human Rights is at [Attachment B](#). The Legislative Instrument is compatible with human rights as it does not raise any human rights issues.

ATTACHMENT A

Details of the *Australian Charities and Not-for-profits Commission (Consequential and Transitional) Amendment (Reporting) Regulations 2020*

Section 1 – Name of the Regulations

This section provides that the name of the Regulations is the *Australian Charities and Not-for-profits Commission (Consequential and Transitional) Amendment (Reporting) Regulations 2020* (the Amending Regulations).

Section 2 – Commencement

The Amending Regulations commence the day after the instrument is registered on the Federal Register of Legislation.

Section 3 – Authority

The Amending Regulations are made under the Transitional Act.

Section 4 – Schedule

This section provides that each instrument that is specified in the Schedules to this instrument will be amended or repealed as set out in the applicable items in the Schedules, and any other item in the Schedules to this instrument has effect according to its terms.

Schedule 1 – Amendments

Item 1 of Schedule 1 to the Amending Regulations extends a transitional concession that allows registered entities to lodge with the ACNC statements, reports and other documents produced for an Australian government agency and have the statements or reports satisfy certain *Australian Charities and Not-for-profits Commission Act 2012* reporting obligations. The extension of the transitional reporting concession provided by the Transitional Act applies to the 2019-20, 2020-21, 2021-22, 2022-23 and 2023-24 financial years for the purposes of paragraph 10(4)(d) of Schedule 1 to the Transitional Act.

Although the Amending Regulations first apply to reporting that is otherwise required to be made for the 2019-20 financial year, they are wholly beneficial to affected entities. They also apply prospectively as reports would not otherwise first be due until after the end of the 2019-20 financial year.

Statement of Compatibility with Human Rights

Prepared in accordance with Part 3 of the Human Rights (Parliamentary Scrutiny) Act 2011

Australian Charities and Not-for-profits Commission (Consequential and Transitional) Amendment (Reporting) Regulations 2020

This Legislative Instrument is compatible with the human rights and freedoms recognised or declared in the international instruments listed in section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*.

Overview of the Legislative Instrument

The purpose of the *Australian Charities and Not-for-profits Commission (Consequential and Transitional) Amendment (Reporting) Regulations 2020* is to reduce the regulatory burden on entities registered with the Australian Charities and Not-for-profits Commission. It does this by extending a reporting concession provided by the *Australian Charities and Not-for-profits Commission (Consequential and Transitional) Act 2012* to the 2019-20, 2020-21, 2021-22, 2022-23 and 2023-24 financial years.

Human rights implications

This Legislative Instrument does not engage any of the applicable rights or freedoms.

Conclusion

This Legislative Instrument is compatible with human rights as it does not raise any human rights issues.