

ACNC Requirements & Expectations

In Australia, most churches register with the Australian Charities and Not-for-Profits Commission (ACNC). This provides benefits such as tax concessions and reduced regulatory burdens in relationship to reporting and auditing. To maintain registration, however, a church must be able to demonstrate that it complies with six minimum governance standards:

Standard 1: Purposes and not-for profit nature

A charity must be not-for-profit and work towards its charitable purpose. It must be able to demonstrate this and provide information about its purposes to the public.

Standard 2: Accountability to members

A charity that has members must take reasonable steps to be accountable to its members and provide them with adequate opportunity to raise concerns about governance.

Standard 3: Compliance with Australian laws

A charity must not commit a serious offence, such as fraud, under any Australian law or breach a law that may result in a penalty of sixty penalty units or more.

Standard 4: Suitability of Responsible People

A charity must take reasonable steps to:

- be satisfied that its Responsible People (such as board or committee members or trustees) are not disqualified from managing a corporation under the Corporations Act 2001 (Cth) or disqualified from being a Responsible Person of a registered charity by the ACNC Commissioner, and
- remove any Responsible Person who does not meet these requirements.

Standard 5: Duties of Responsible People

A charity must take reasonable steps to make sure that its Responsible People are subject to, understand, and perform the duties set out in Governance Standard 5.

Standard 6: Maintaining and enhancing public trust and confidence in the Australian not-for-profit sector

A charity must take reasonable steps to become a participating non-government institution if the charity is, or is likely to be, identified as being involved in the abuse of a person either:

- in an application for redress made under section 19 of the National Redress Scheme for Institutional Child Sexual Abuse Act 2018 (Cth) (Redress Act), or
- in information given in response to a request from the National Redress Scheme Operator (Secretary of the Department of Social Services) under section 24 or 25 of the Redress Act. (ACNC (2022) *ACNC Governance Standards*)

NOTE

Captured under Standard 3, above, is the obligation for churches to comply with various laws including:

- Workplace Health and Safety
- Privacy and data security
- Employment Laws
- Child Safety regulations
- Anti-Discrimination Laws
- Australian taxation laws

It is important for churches to consider their legal obligations in relationship to good governance. While these obligations are imposed by secular governing bodies, they are not in conflict with how Christians are instructed to live out our lives as followers of Jesus Christ.

The ACNC has provided further information in *Governance for Good: A Guide for Responsible People*, which can be found at:

www.acnc.gov.au/tools/guides/governance-for-good-acncs-guide-for-responsible-people