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The Treasury  
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**Re: ACNC – Financial Reporting Requirements  
Response by Community Sector Banking**

Community Sector Banking (CSB) is Australia's specialist banking service for not-for-profit and community sector organisations.

Established in 2002, when Community 21 (a consortium of 20 leading community sector organisations) and Bendigo and Adelaide Bank joined forces to create a vehicle for change, CSB has been providing community sector organisations with convenient and tailored banking products and services to achieve their social objectives. Today, we are proud to assist over 6,000 not-for-profit customers.

CSB commends Treasury for the initiative to collaborate with internal and external stakeholders from across the sector to review the financial reporting requirements and thus ease the transition to reporting under the ACNC, and ensure that charitable organisations are compliant.

With a customer base of over 6,000 not-for-profit customers, and a number of these organisations required to provide annual financial information for re-assessment of borrowing capacity, we consider that CSB is well placed to reflect upon what information charitable organisations should and can provide.

CSB acknowledges the distinction between entity size for reporting requirements, and whether audited or reviewed accounts are acceptable, so as not to place an additional burden on small charities. Given these tiers and audit requirements compliment the Corporations Act (2001), we support the underlying premise as a sensible and effective response.

With regard to the requirement for what is to be provided (financial statements, notes to the financial statements and declaration made by the responsible entities), these need to be compliant with accounting standards issued by the Australian Accounting Standards Board (AASB). We concur with the draft regulation, as the requirement provides for a level of integrity and certainty to the information provided and in turn therefore to the ACNC.

Additionally, these financial statements have to comply with AASB standards and must be 'true and fair' and once again are therefore consistent with the Corporations Act (2001).

We agree with the ACNC's decision to make the first reporting period the 2013-2014 financial year to allow charitable organisations time to digest and understand their requirements and submit by the 6 month deadline post the end of the period. Additionally, given the comments above, that requirements match with AASB and Corporations Act (2001) requirements, this reporting, we suggest, should not be onerous for organisations.

In addition to the financial statements, Charities are required to submit an 'Information statement,' to cover non-financial information. This, along with the robust financial information provided for gives legitimacy to the ACNC and therefore the charities registered under it; CSB looks forward to having such information standardised and publically available.

Please feel free to contact us regarding any of the responses provided above, and we look forward to reviewing the outcomes of this consultation period.



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Community Sector Banking