
Submission: DGR Registers Reform

Personal Details of Submitter:

Peter Evans, (MBA, MAICD, FGIA)

Mobile: 0427 511 037

Via email: peter@centralvicbiolinks.org.au (For Central Victorian Biolinks Alliance)

Via email: accounts@ayb.org.au (For Australian Youth Band Incorporated)

Context:

I am currently the (pro bono) Secretary of the Board for the Central Victorian Biolinks Alliance (Biolinks). I was elected to that position in October 2019 and have been re-elected at each AGM since. Biolinks is listed on the Register of Environmental Organisations, registered with the ACNC as a charity and an incorporated association under Victorian state law. It also holds fundraiser status via Consumer Affairs Victoria. This currently requires three separate reports each year – ACNC, REO and CAV (for fundraising).

I am currently the Treasurer of the Board for the Australian Youth Band (AYB), a position to which I was elected in October 2022. Prior to that I was pro bono Secretary of the Board from my election in October 2019 until changing to the Treasurer position at the most recent AGM. AYB is listed on the Register of Cultural Organisations and an incorporated association under Victorian state law. The organisation is in the process of meeting the new requirements to be a charity registered with the ACNC. That registration has been gained successfully, but I am now trying to ensure the transition of DGR status from the old ABN to the new ABN as AYB was required to get a new ABN as part of the registration. (See below.)

Disclaimer:

These comments are made by me as an individual involved in organisations which would be covered by the proposed changes – one on the REO and one on the ROCO. They are not to be construed as being made formally on behalf of either organisation, but reflect the experience of a person who sees benefits in the simplification and alignment proposed.

The positive:

In general I support the proposed changes. Providing a consistent and centralised way of requesting and managing registration and managing reporting will benefit the organisations either listed on or applying for registration for DGR status. Currently the registers are managed by different departments, and have different reporting formats and timeframes. For example, REO requires an annual statistical return via an emailed form by 31 October. ROCO requires an online form to be completed every six months in January and July.

Both organisations (Biolinks and AYB) have an appropriate Public Fund and appropriate rules regarding what is to happen on any winding up. However, the rules for both require transfer of any residual funds to another member of the relevant register (REO or ROCO) on winding up. The proposed changes will allow a slight modification of these rules at an upcoming AGM to align with the broadening of this obligation. This is not onerous.

It is to be hoped that the separate returns to REO and ROCO will be removed, with a single reporting obligation to the Commonwealth Government via the ACNC, and any DGR reporting being included in the annual information statement to be submitted to ACNC.

The caution:

The Australian Youth Band (AYB) (ABN 20 387 202 282) is listed on the ROCO and holds DGR status. The relevant Public Fund is listed on the ABR listing for this ABN. However, until recently, AYB did not hold ACNC registration. As per announcements that such registration was required to maintain ROCO listing, I initiated the actions to gain the ACNC registration.

In assessing our application for ACNC registration the (excellent and helpful) lawyer at ACNC identified that AYB's listing on the Australian Business Register identified AYB as an "Other unincorporated association". As this was done before I became Secretary in October 2019 I had not sought to change this. The ACNC lawyer advised that AYB needed the correct entity status on the ABR, so, as part of processing the ACNC registration, I queried the ABR about whether the status could be changed to "Other incorporated entity", to be advised that this was not possible. I was advised I needed to apply to the ABR for a new ABN with that "Other incorporated entity" type. This was granted and ACNC has recently confirmed the registration against a new ABN (ABN 61 327 313 550).

However, because I was not aware I would need a new ABN, the original request for ACNC registration was not accompanied by a request for DGR status to be 'transferred', and ACNC advised later it could not transfer it from the old ABN. And the online form for requesting a new ABN asked a question (from memory) about whether DGR status would be required, flagging that the applicant should answer, "No." if such status was already held. I assumed that because the status was held, I should answer, "No." (This may have been a mistake, but I found that the form was not easily interpreted for my situation.)

AYB now has an old ABN with DGR status attached (as well as the Public Fund) and a new ABN with ACNC status attached, and has to try to get that reconciled. ABR has advised that I have to reapply for DGR status attached to the new ABN as it cannot be transferred, even though it is the same entity. I would estimate I have now spent well over 10 hours doing the various items required to try and simply maintain the DGR status and ROCO listing.

So – the caution – the implementation of the changes needs to ensure any transitions are easily managed and there is a one-stop shop (if possible) with ATO (or some entity) for doing this. This should not (from my reading) affect the legislation, but is important for its easy implementation and to remove the need to deal with multiple government entities.

I am happy to receive queries or take a phone call if this is unclear. Thanks for your consideration of this brief submission.