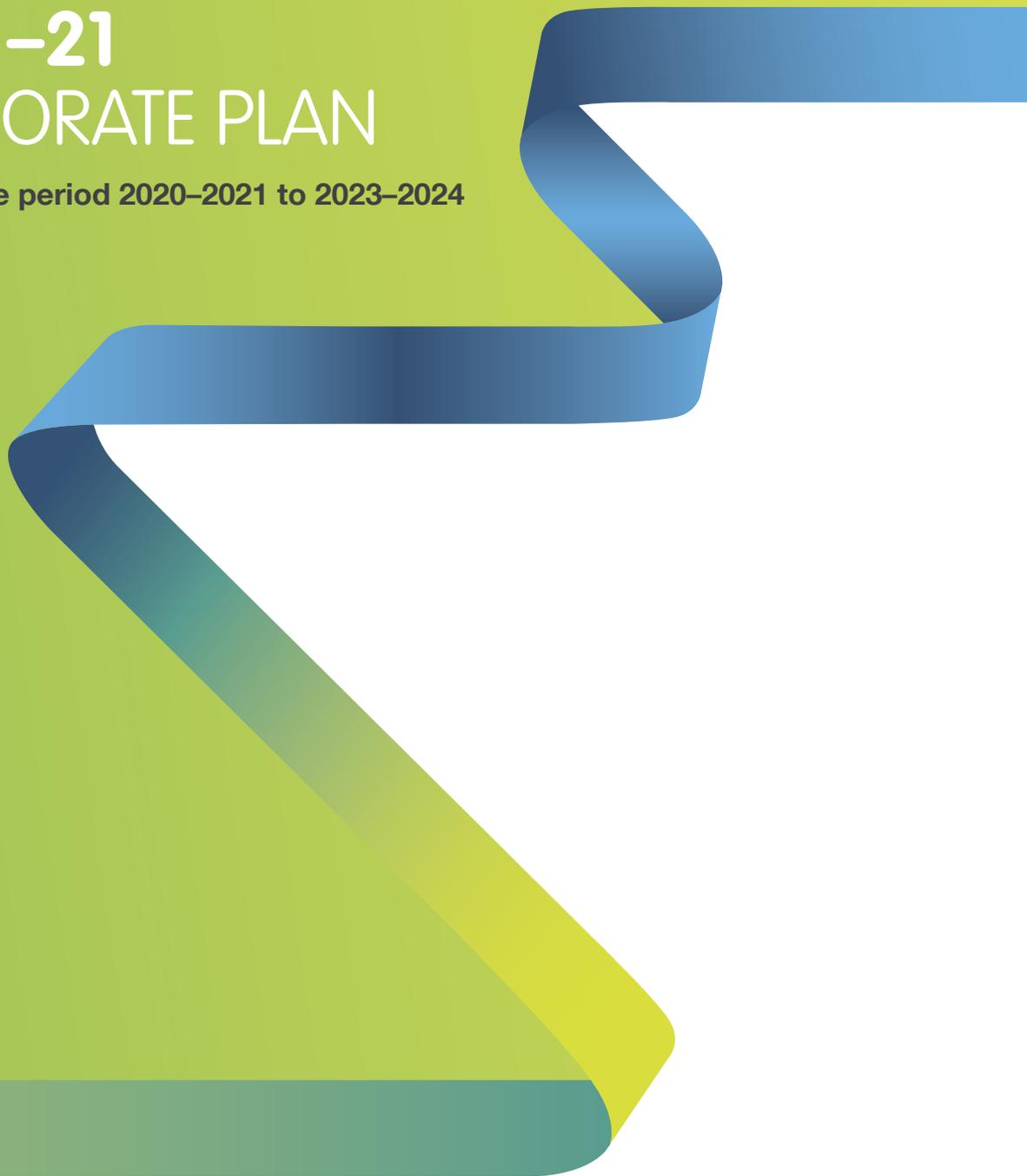


2020–21 CORPORATE PLAN

Covering the period 2020–2021 to 2023–2024



Australian Government



Australian
Charities and
Not-for-profits
Commission

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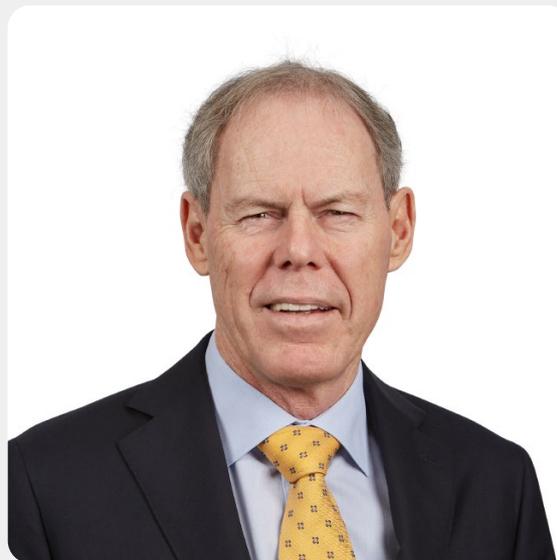
1. Message from the Commissioner

I am pleased to present the 2020–21 Corporate Plan for the Australian Charities and Not-for-profits Commission (ACNC). I will, together with the ACNC's dedicated and highly capable staff, deliver support to the 57,000 charities on the Charity Register, and their members, donors, volunteers, and beneficiaries. We will do this in accordance with the performance measures outlined in this plan.

Charities registered with the ACNC receive generous support from donors and volunteers as a gesture of belief and confidence in the work charities undertake. Analysis of the 2018 Annual Information Statement data collected by the ACNC found registered charities reported \$155.4 billion in total revenue, which included \$10.5 billion in donations and bequests. Charities also received contributions from 3.7 million volunteers to help deliver their programs.

Public trust and confidence in charities is strengthened by transparency, accountability and effectiveness. The ACNC makes the data we collect available to the public to promote trust and confidence and support informed decision making. In the 2020–21 reporting period the ACNC will collect new information about the programs undertaken by charities using a taxonomy to apply a consistent classification, show where they conduct those programs and who will benefit. This information will make the work of charities more visible.

The ACNC will continue to deliver effective regulation by collecting the highest quality data on the sector and making it available to the widest possible audience. We will also develop advice and tools to support charities to strengthen their governance. When necessary, we will use our compliance powers to take appropriate action proportionate to the problems we seek to address.



Statement of preparation

I present the 2020–21 Australian Charities and Not-for-profits Commission Corporate Plan, as required under paragraph 35(1)(b) of the *Public Governance, Performance and Accountability Act 2013* (Cth) (PGPA Act). This corporate plan covers the reporting periods of 2020–2021 to 2023–2024 and outlines how the ACNC will meet its statutory obligations.

A handwritten signature in black ink, appearing to read 'Gary Johns'.

Hon. Dr Gary Johns
ACNC Commissioner

2. Purposes and key activities

The ACNC is established under the *Australian Charities and Not-for-profits Commission Act 2012 (Cth)* (ACNC Act) as the independent regulator of charities at the Commonwealth level.

The statutory functions and regulatory powers of the ACNC Commissioner are set out in the ACNC Act, the *Charities Act 2013 (Cth)* (the Charities Act) and accompanying regulations.

The objects of the ACNC Act are:

- to maintain, protect and enhance public trust and confidence in the Australian not-for-profit sector
- to support and sustain a robust, vibrant, independent and innovative Australian not-for-profit sector
- to promote the reduction of unnecessary regulatory obligations on the Australian not-for-profit sector.
- registering new charities
- revoking the registration of charities which are no longer entitled to registration
- collecting information on charities annually
- providing advice and guidance to charities and the public
- disseminating better practice resources
- enhancing the transparency and good governance of the sector
- monitoring charities for compliance with legal requirements, and acting on identified concerns
- working across governments to reduce unnecessary regulation.

These objects, or purposes, are achieved through the following activities:

- maintaining a public register of Australian charities

Vision and purposes

Our vision and purposes inform the way we engage with charities, governments and the public. Our objects guide our activities and our supporting capabilities help us to deliver on our vision of charities that inspire trust and confidence.



3. Operating context

Environment

As the independent Commonwealth regulator of charities, the ACNC is responsible for registering charities and administering the national regulatory framework for over 57,000 charities. We work across governments to reduce unnecessary regulation and reporting requirements impacting charities. The ACNC publishes the information we collect to help the public understand the work of charities and to support the transparency and accountability of the sector.

The ACNC has a key role in helping charities to understand their obligations and embed good practice governance into their operations. We develop a range of guidance materials and provide support via our multi-channel contact centre. When charities fail to comply with their obligations the ACNC will investigate and work with charities in support of corrective actions.

In addition to continuing to deliver against our purposes, the ACNC will face some uncertainty over the life of this plan. These uncertainties are being managed within the ACNC Risk Management Framework and include the following emerging issues:

Bushfires: During the 2019–2020 bushfire season some charities experienced a sudden influx of donations and increased demand for their services. The ACNC's website and charity portal also experienced a spike in queries from the community. The traffic to our site during January 2020 increased by 240% compared to the same period in 2019. Meeting the needs of communities impacted by disasters, including bushfires, is a key priority for charities, but donors also seek confidence that their contributions are helping those in need. Accordingly, the ACNC works with charities to ensure robust governance arrangements are embedded in their operations to help them to quickly adapt and respond during times of disaster. The ACNC will continue to support good charity governance through guidance and support over the life of this plan.

Coronavirus (COVID-19) Pandemic: The full impact of the Coronavirus (COVID-19) Pandemic is unknown at the time of writing this plan. Like all Australian workplaces, the ACNC has business continuity plans in place to protect staff and enable critical functions to continue in many different circumstances. In addition to protecting our staff, the ACNC has provided information to assist charities during this time. We have also prioritised the processing of applications for charities seeking to respond to this pandemic, as we do with all disasters.

Legislation review: In March 2020 the Government [responded](#) to the Australian Charities and Not-for-profits Commission (ACNC) Legislation Review 2018. While the Government has shown support for most recommendations, some require more consultation before implementation, and some will not be able to be implemented until legislative amendments are finalised. The ACNC will work collaboratively to implement the Government recommendations to achieve meaningful reform.

Australian National Audit Office (ANAO)

Performance Audit: The ANAO tabled the report [Regulation of Charities by the Australian Charities and Not-for-profits Commission](#) on 31 March 2020. This report was a welcome endorsement of the ACNC's achievements since it was established in December 2012. The report also provided valuable insights to assist us to continue to improve our regulatory approach.

Deductible Gift Recipient (DGR) reforms:

In the 2020–21 reporting period, the ACNC will commence reviews of existing charities with DGR endorsement to assess their entitlement to registration as a charity and subtype of charity. In the 2019–20 reporting period, the ACNC developed the governance and resources for this review process and will monitor the progress of these reviews closely to ensure the reform objectives are met.

Risk management

The ACNC Risk Management Framework provides staff with tools to effectively manage risk across the agency and is an essential component of good corporate governance, decision making and performance management.

The ACNC's risk tolerance will vary depending on the operating environment, the nature of the work being undertaken and our willingness to accept risk in pursuit of ACNC purposes. The risk tolerances

for the ACNC are set by the Commissioner and reviewed regularly; the leadership team has overall responsibility for monitoring and managing risk within ACNC operations.

Strategic risk impacting on the ACNC's ability to achieve its vision and purposes over the life of this plan, as well as mitigating strategies that effectively bring these risks within the tolerance limits of the Commissioner, are outlined in the table below.

Strategic risk	Mitigating strategies
An incorrect registration decision is made, and an organisation not entitled to charity status is placed on the Charity Register	<p>We undertake quality assurance of a random selection of registration application decisions each month to ensure that only eligible charities are registered.</p> <p>Applications undergo an initial risk assessment and registration policies and processes are regularly reviewed and tailored to address low, medium and high-risk concerns.</p> <p>Before any application is refused it is reviewed internally.</p>
The data on the Charity Register is not up to date, reliable or complete	<p>We undertake annual quality assurance reviews of charities on our Charity Register to ensure that charities are still eligible for registration.</p> <p>We review Annual Information Statements and Annual Financial Reports for accuracy and remove charities from the Charity Register when they fail to meet their reporting obligations.</p>
Our compliance activities do not address non-compliance in the charity sector	<p>Our compliance policies and processes are up to date and tailored to address low, medium and high-risk concerns.</p> <p>We use data analytics to inform our understanding of risk to guide our compliance activities.</p> <p>Quality assurance processes are in place to ensure our decisions align with our regulatory approach and are legally correct.</p>
The public loses confidence in the charity sector	<p>We act swiftly and firmly where vulnerable people or significant charity assets are at risk, where there is evidence of serious mismanagement or misappropriation, or if there is a serious or deliberate breach of the ACNC Act or ACNC Regulation.</p>
The Charity Register and public education and advice are not relevant, timely or well targeted.	<p>We provide high-quality, easy-to-understand information, on a user-friendly website to help members of the public:</p> <ul style="list-style-type: none"> • find information about the charity sector • find registered charities to support (via the Charity Register) • raise concerns about registered charities • contact our Advice Services team for further assistance. <p>We publish guides and materials to help charities understand charity law and meet their obligations and we update the Charity Portal content regularly.</p> <p>Our materials are regularly reviewed and updated to ensure they remain effective in meeting the needs of charities and additional resources are developed in response to emerging issues.</p>

Strategic risk	Mitigating strategies
<p>We fail to reduce the regulatory burden on charities</p>	<p>We undertake a Regulator Performance Framework self-assessment. This self-assessment is validated externally through the ACNC's approved stakeholder consultation mechanism consisting of the Sector and Adviser Forums.</p> <p>We work across the Commonwealth and with state and territory governments to reduce unnecessary regulatory obligations for charities.</p> <p>We work with professional bodies to provide plain English advice to charities on financial reporting and disclosures.</p> <p>We provide other government agencies with access to the ACNC Charity Passport which enables access to ACNC charity data.</p>
<p>We fail to provide secure, reliable and modern IT systems</p>	<p>We monitor our compliance with the Protective Security Policy Framework and continually work to strengthen IT security measures. Offsite back up and disaster recovery arrangements are in place and we provide training to IT staff to enable them to provide effective support for all ACNC platforms.</p>
<p>Our resourcing is insufficient to achieve our vision and purposes</p>	<p>Our budgeting, forecasting and reporting processes are robust and support our resource planning and management decisions, including human resources.</p>
<p>We fail to comply with legislative requirements</p>	<p>We provide advice on existing and emerging legal risks and risk mitigation strategies.</p> <p>We draft and review policies and procedures, administrative decisions, work instructions, and education and guidance material.</p>

Governance and Accountability

Accountable Authority

The ACNC is not a Commonwealth entity for the purposes of the *Public Governance, Performance and Accountability Act 2013* (Cth) (PGPA Act). The ACNC Commissioner sets the direction and priorities of the ACNC, determines how resources will be allocated and produces the ACNC Corporate Plan and Annual Report. The Commissioner of Taxation is the Accountable Authority for the ACNC for PGPA Act purposes and provides an independent mechanism to assist the ACNC in monitoring risk and compliance with the PGPA Act.

ACNC Advisory Board

The ACNC Advisory Board consists of charity sector leaders and experts in charity law, taxation, accounting and policy as well as state government officials. The Board provides advice to the Commissioner on issues and valuable insights into the Australian charity sector.

Audit and Risk Committees

As the Accountable Authority, the Commissioner of Taxation has given approval for the ACNC Audit and Risk Committee to operate as a subcommittee of the Australian Taxation Office (ATO) Audit and Risk Committee for the purposes of supporting the Accountable Authority in meeting their obligations under the PGPA Act.

The ACNC Audit and Risk committee provides risk and performance updates for the approval of the ATO Audit and Risk Committee at every meeting.

Cooperation and engagement

The ACNC could not deliver on its vision and purposes without the cooperation of other like-minded groups and organisations including:

Groups and organisations	Activity
Charities	The ACNC works with charities to help them understand and meet their obligations. We provide education, support and guidance and we consult with charities about changes that may impact them.
Australian public	We strive to improve public understanding of the work of charities. We make available the information we collect as part of regulating charities, including information reported to us annually.
Australian Taxation Office	<p>The ACNC Commissioner is the independent regulator of charities. Staff of the ACNC are employees of the ATO operating under the direction of the ACNC Commissioner.</p> <p>The ACNC is not a separate Commonwealth entity and is part of the ATO for the purposes of the PGPA Act.</p> <p>Charities registered with the ACNC are eligible for charity tax concessions administered by the ATO. We have a Memorandum of Understanding with the ATO for the joint administration of charitable entitlements and tax concessions and compliance activity.</p> <p>Memorandums of understanding are also in place for the provision of supporting functions by the ATO including human resources, enterprise solutions and technology, finance, accommodation and communications.</p>
Other Commonwealth entities	<p>The ACNC is part of the Treasury portfolio. The Treasury portfolio undertakes a range of activities to support sustained growth in the economy. The ACNC's activities align with Treasury policy direction and outcomes.</p> <p>As a national regulator, the ACNC is required to assess its performance against the Australian Government's Regulator Performance Framework (RPF). This framework is a core element of the Government's deregulation agenda. The ACNC works with other Commonwealth entities to identify ways in which the regulatory burden on charities can be reduced.</p>
State and territory governments	The ACNC works with state and territory governments to identify ways in which the regulatory burden on charities can be reduced.
ACNC Advisory Board	The Advisory Board advises the ACNC Commissioner. The Board is appointed by the Minister and consists of up to eight 'general members' with expertise in the not-for-profit sector, law, taxation or accounting, and office holders.
Sector Forum	The Sector Forum comprises representatives of the charity sector and government agencies. The Sector Forum is invited by the ACNC to comment on ACNC procedures, publications and regulation to support continual improvement.
Adviser Forum	The Adviser Forum comprises representatives of advisory bodies to the charity sector and government agencies. The Adviser Forum is invited by the ACNC to comment on ACNC procedures, publications and regulation to support continual improvement.
Academics and Researchers	The ACNC works with academics and researchers to improve public understanding of the work of charities.

4. Performance

Purpose 1: Maintain, protect and enhance public trust and confidence in the Australian not-for-profit sector

We register not-for-profits that apply for charity status, monitor their compliance with their obligations for maintaining this charity status, and investigate charities that are not fulfilling their obligations.

We will demonstrate our performance through the achievement of the following measure:

No.	Measure	PBS reference	Target			
			2020–21	2021–22	2022–23	2023–24
1.1	Percentage of new charity registrations completed within agreed timeframes	2020–21 Australian Taxation Office (ATO) Portfolio Budget Statements (PBS)*	90%	90%	90%	90%
Source: ACNC Customer Relationship Management System Methodology: Data is extracted monthly and collated for annual reporting						
1.2	Percentage of charities complying with timeliness of Annual Information Statement submission requirements	2020–21 ATO PBS*	75%	75%	75%	75%
Source: Charity Register Methodology: Measured from the submission due date set by the Commissioner						
1.3	Percentage of investigations finalised within 12 months	2020–21 ATO PBS*	75%	75%	75%	75%
Source: ACNC Customer Relationship Management System Methodology: Measured from the commencement of the analysis						
1.4	Number of DGR reviews conducted annually.	N/A	500 ¹	500	500	500
Source: Charity Register Methodology: Reviews included in the count once a determination has been made						

***Note:** At the time of publication the Department of the Treasury Portfolio Budget was not yet finalised. The PBS references will be updated when this budget is published.

¹ Number of DGR reviews conducted in the 2020-21 reporting period may be impacted by the COVID-19 Pandemic.

Purpose 2: To support and sustain a robust, vibrant, independent and innovative Australian not-for-profit sector

We support charities through the provision of education and information and by maintaining the Charity Register, an online, searchable register of information about charities, including governance, operational, and financial arrangements. This information is made publicly available to support transparency and trust in the charity sector.

We also collect and analyse Annual Information Statement and Annual Financial Report data and provide examples of best practice as well as tools to assist good governance.

We will demonstrate our performance through the achievement of the following measure:

No.	Measure	PBS reference	2020–21	Target		
				2021–22	2022–23	2023–24
2.1	The ACNC will collect new information about the programs charities conduct, using a consistent taxonomy classification, where they conduct those programs and who those programs benefit. Once collected, this information will be accessible to government and the public.	2020–21 ATO PBS*	Launch of the enhanced Charity Register	Searchable program data available	Increased usage of the enhanced Charity Register	Increased usage of the enhanced Charity Register
<p>Source: 2020 Annual Information Statements Methodology: 2020 Annual Information Statements include the new program taxonomy</p>						
2.2	Percentage of time phone calls are answered within 4 minutes.	2020–21 ATO PBS*	80%	80%	80%	80%
<p>Source: ACNC Customer Relationship Management System Methodology: Data is extracted monthly and collated for annual reporting</p>						
2.3	Information and guidance materials are reviewed and updated or published for the first time on the ACNC website to assist charities in understanding their obligations.	2020–21 ATO PBS*	Information and guidance materials reviewed and updated or published for the first time as required.	As per 2020–21	As per 2020–21	As per 2020–21
<p>Source: ACNC Website Methodology: Publication of guidance within the reporting period</p>						

***Note:** At the time of publication the Department of the Treasury Portfolio Budget was not yet finalised. The PBS references will be updated when this budget is published.

No.	Measure	PBS reference	2020–21	Target		
				2021–22	2022–23	2023–24
2.4	Information about charities is published	N/A	Publication of Australian Charities Report	As per 2020–21	As per 2020–21	As per 2020–21

Source: ACNC website
Methodology: Publication of information within the reporting period

2.5	Number of annual financial reports examined for accuracy	N/A	250	250	250	250
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Source: Charity Register
Methodology: Number of finalised examinations within the reporting period.

Purpose 3: Promote the reduction of unnecessary regulatory obligations on the Australian not-for-profit sector

We work with state and territory governments and other Commonwealth government entities to reduce unnecessary regulatory obligations for charities. The ACNC works to harmonise and simplify reporting for charities and establish sharing arrangements so they only have to report once to government.

We will demonstrate our performance through the achievement of the following measure:

No.	Measure	PBS reference	2020–21	Target		
				2021–22	2022–23	2023–24
3.1	Reduce unnecessary regulation for charities by simplifying and streamlining reporting	2020–21 ATO PBS*	The Regulator Performance Framework demonstrates a reduction in unnecessary regulation for charities	As per 2020–21	As per 2020–21	As per 2020–21

Source: ACNC website
Methodology: Regulator Performance Framework self-assessment published within the reporting period demonstrates improvement

***Note:** At the time of publication the Department of the Treasury Portfolio Budget was not yet finalised. The PBS references will be updated when this budget is published.

5. Capability

The ACNC capability underpins the delivery against our vision and purposes and has three fundamental components:

Information technology

Our information technology capability delivers reliable and modern platforms to encourage communication, innovation and transparency. This capability supports strategic decision making through information governance and data analytics.

Over the life of this plan our information technology capability will be strengthened through the development of a multi-year plan to identify and exploit opportunities, remediate challenges and gaps and create an adaptable platform for our future needs.

Governance and resource management

Our governance and resource management capability ensure human resources, governance and finance functions are collectively managed across the ACNC. This capability supports strategic decision making through workforce insights and financial and non-financial performance monitoring and reporting.

Over the life of this plan our workforce and resource management capability will be strengthened through the implementation of the Workforce Plan and associated strategic projects including the ACNC Employee Value Proposition, ACNC Culture Plan and ACNC Learning and Development Strategy.

Legal and policy

Our legal and policy capability provides advice on the application of law relevant to the operation of the ACNC, supports strategic decision making through the provision of specialist legal advice, responds to privacy complaints and Freedom of Information requests, manages litigation and coordinates submissions on changes to the laws that affect charities.

Over the life of this plan our legal and policy capability will be strengthened through the provision of agency-wide training and support to ensure the ACNC's ongoing compliance with legislation, regulation and government policy objectives.

6. Glossary and acronyms

ACNC – Australian Charities and Not-for-profits Commission

ACNC Act – the *Australian Charities and Not-for-Profits Commission Act 2012* (Cth) and the *Australian Charities and Not-for-profits Commission (Consequential and Transitional) Act 2012* (Cth). These two Acts established the ACNC and set out its powers and functions.

ACNC Regulations – *Australian Charities and Not-for-profits Commission Regulation 2013* (Cth) (the ACNC Regulations). These regulations provide more detailed requirements in relation to the ACNC Charity Register, financial reporting and sets out the Governance Standards.

Annual financial report – the annual financial report that medium and large registered charities must submit to the ACNC which contains the audited/reviewed financial statements and notes, audit/review report and signed Responsible Persons' declaration for the reporting period.

Annual Information Statement – the annual statement that registered charities must submit to the ACNC which contains information about a charity's operations for the reporting period.

Charity Portal – an online service where registered charities can update their details and submit their AIS: charity.acnc.gov.au

Charity Register – a consolidated database of all charities that have met the definition of charity in the *Charities Act 2013* (Cth) and other requirements for registration under the ACNC Act.

Governance Standards – a set of minimum governance requirements that charities must meet. These are set out in the *Australian Charities and Not-for-Profits Commission Regulation 2013* (Cth).

Governance Toolkit – a suite of resources designed to help charities manage risk in four key areas: safeguarding people, financial abuse, cybersecurity, and working with partners.

PGPA Act – the *Public Governance, Performance and Accountability Act 2013* (Cth) establishes a coherent system of governance and accountability for public resources, with an emphasis on planning, performance and reporting.

Regulation – relates to the regulatory obligations on the Australian not-for-profit sector.

Registration – the process of becoming a registered charity.

Regulatory approach – how the ACNC approaches its role as an independent charity regulator: acnc.gov.au/regulatoryapproach

Regulator performance framework – sets out the Government's commitment to reduce the cost of unnecessary or inefficient regulation.

acnc.gov.au