

# ACNC Stakeholder Engagement Framework



Australian Government



Australian  
**Charities** and  
**Not-for-profits**  
Commission



# Introduction

**Australian charities make an invaluable contribution to the community and their work reaches into every corner of our lives.**

To do this important work, charities need a regulator that listens, understands and communicates in an appropriate way. The regulator needs to demonstrate that it is engaged with and responsive to the community it regulates, as well as with other stakeholders such as other government agencies also involved in regulating charities.

The Australian Charities and Not-for-profits Commission (ACNC) is a specialist, independent regulator established to:

1. maintain, protect and enhance public trust and confidence in the not-for-profit sector through increased accountability and transparency
2. support and sustain a robust, vibrant, independent and innovative not-for-profit sector, and
3. promote the reduction of unnecessary regulatory obligations on the not-for-profit sector.

Understanding charities and supporting them to become familiar with and meet their obligations to the ACNC in an accessible way is fundamental to the way the ACNC operates. We aim to demonstrate best practice in our stakeholder engagement as well as innovation in the way we communicate with and seek feedback from charities.

This framework sets out:

- our **reasons** for stakeholder engagement
- the **values** and **principles** that underpin our approach
- the **scope** of this work, and
- our **approach** to undertaking consultation with stakeholders.

This framework should be read in conjunction with the [ACNC's Aboriginal and Torres Strait Islander Communities Engagement Strategy](#).

## Understanding our stakeholders

The understanding of our stakeholders, especially charities, is fundamental to our approach as a regulator.

The ACNC recognises the essential role that charities play in Australian society and acknowledges that they are an incredibly diverse community of organisations. The ACNC also understands the important role of the support of the Australian public in supporting charities to undertake their vital work.

An understanding of charities is the foundation of the ACNC's regulatory approach. You can read more about this in our [Regulatory Approach Statement](#).

The Australian Government's **Regulator Performance Framework (RPF)** sets out outcomes-based performance indicators which seek to drive cultural change in the way regulators administer regulations. The RPF emphasises the importance of appropriate communication and consultation with stakeholders in reducing the impact of regulatory burden on the community. This engagement framework is established to align with the requirements of the RPF.

Visit [acnc.gov.au/RPFmeasures](https://www.acnc.gov.au/RPFmeasures)

# Our reasons for engagement

There are three key reasons that the ACNC engages with stakeholders.

1

## Stakeholders should be supported in their interactions with government

Registered charities are required to meet a number of obligations to maintain their entitlement to registration, such as reporting annually and notifying the ACNC of certain changes. The ACNC will support charities to understand and meet their obligations by providing education that explains what charities have to do and when it has to be done. The ACNC also provides education on good governance, which it sees as a key part of ensuring trust in the sector as well as promoting compliance with obligations.

The ACNC is committed to providing accurate, timely and relevant information to charities to help them understand and meet their obligations to the ACNC in a way that minimises the impact on their time and resources. The ACNC also recognises that most charities have obligations to other government agencies in addition to their obligations to the ACNC. Where possible, the ACNC provides links in our guidance and through our telephone and email advice services to those other agencies, so charities can easily find the information they need.

The ACNC is also working with a range of other government agencies to identify ways in which regulatory burden can be reduced and to achieve this. Stakeholder engagement – including working with charities and other regulators to understand the extent of the burden – is an important part of this work.

2

## Those affected by a decision should be involved in how it is made

As a regulator, the ACNC understands that its decisions can have an impact on charities, their staff, volunteers and beneficiaries. This includes decisions about specific charities as well as broader decisions about how we regulate.

A charity has the right to seek a review of and appeal certain decisions, under the ACNC Act, and in accordance with principles of administrative law. We also seek to ensure that charities and those related to them are aware of the broader policy decisions we make and our approach to regulation, by publishing Commissioner Statements and other policies and undertaking consultation on them where we can. This is part of our commitment to ensuring that those affected by a decision should be given the opportunity to have a say on how the decision is made.

In line with our statutory objects, the ACNC aims to make decisions in a way that will 'support and sustain a robust, vibrant, independent and innovative not-for-profit sector'. It ensures we model transparency, which is what we expect from charities.

We know that listening to our stakeholders and incorporating their feedback in our decision-making is the best way to achieve this goal.

3

## Effective stakeholder engagement improves public policy outcomes

Engaging with stakeholders – through communication, education or consultation – helps government to achieve its goals in a number of ways. For example, helping charities to understand their obligations and how they can meet them assists the ACNC to promote compliance with the obligations of the ACNC Act.

Perhaps most importantly, consulting with stakeholders and genuinely listening to what they have to say is essential to developing high-quality policy. Listening to stakeholders ensures that decisions can be made in an informed way and can be used as a way to validate or question any underlying assumptions. It also builds a relationship based on trust and understanding which ensures that parties are committed to the successful implementation of a policy.

# The values and principles that underpin our work

The ACNC corporate values underpin the way we undertake all of our work as a regulator, including in the way that we engage with our stakeholders.



**Within these values, the ACNC identifies five principles that specifically guide our work in stakeholder engagement.**

### Respect

The ACNC recognises and respects the unique role of charities in the Australian community, the enormous contribution that they make to our society and the valuable expertise and experience they bring to consultation practice. Respect is fundamental to our approach as a regulator. We understand that compliance with regulation is only one element of charities' work and value the time charities give to us in engaging with us.

### Authenticity

The ACNC will only undertake stakeholder engagement work where there is a legitimate purpose that enhances our ability to undertake our role and fulfil our statutory objects. Where the ACNC undertakes consultation, any limitations will be made known and the process will be explained so that participants will know what to expect.

### Transparency

The purpose behind any stakeholder engagement activity will be clearly explained. The ACNC will be open about how it responds to feedback provided by stakeholders and will explain how it has acted, or not acted, as the result of feedback received. We seek feedback from our stakeholders through a number of mechanisms and we will be transparent about these processes.

### Accessibility

Opportunities for stakeholder engagement will be designed to seek out and facilitate the involvement of a broad variety of representative stakeholders. The ACNC will use diverse, responsive and flexible methods to ensure the inclusion of those who may be harder to reach or have greater difficulty in participating for reasons such as language, culture, age, disability or location. The ACNC recognises that for such people, government decisions may have an even greater impact.

### Efficiency

We understand that many charities are working with limited resources and managing multiple competing priorities. The ACNC will undertake its engagement work in the most efficient way possible to reduce the impact of this work on the sector. We will thoroughly evaluate all our engagement work to ensure a process of continuous improvement.

# The scope of our engagement

## Who our stakeholders are

The key stakeholders of the ACNC are:

- charities, their staff, volunteers and beneficiaries
- the public, and
- Australian government agencies.

Our other stakeholders are:

- not-for-profits that are not charities
- peak bodies and professional associations
- the media, including sector-specific media
- professional advisers who work with charities, and
- academics and researchers.

## What this framework covers

This framework relates to the full spectrum of work that the ACNC undertakes to engage with the public, including:

- **Digital communications**  
Such as the ACNC website, social media, newsletters
- **Advice services**  
Such as telephone and email correspondence.
- **Representation in media**  
Such as media releases, public commentary.
- **Education resources**  
Such as guides, webinars, factsheets, web content.
- **Public presentations**  
Such as educational events, conference presentations.
- **Relationship management**  
Such as meetings with stakeholders, government liaison.
- **Consultation processes**  
Such as reference groups, policy consultation processes.

## Spectrum of stakeholder engagement

The ACNC uses a spectrum of stakeholder engagement based on the one developed by the International Association for Public Participation.

As a regulator, education forms the cornerstone of our approach in supporting charities to understand and meet their regulatory obligations. We have included education as part of the spectrum used by the ACNC to reinforce that is fundamental to the way we engage. See page 6 for a table setting out the spectrum.

It will be appropriate to use one or more of these mechanisms, depending on the nature of the goal to be achieved through consultation.

## ACNC spectrum of stakeholder engagement

	Inform	Educate	Consult	Collaborate
Our goal	Communicating with our stakeholders so that they have the information they need, when they need it.	Helping stakeholders to understand our work, how to use our services and how to meet their obligations.	Listening to our stakeholders to ensure their needs are understood and considered.	Partnering with our stakeholders to achieve the best results in shared goals.
Our promise	We will keep you informed and provide you with accurate, timely and relevant information.	We will support you to understand how to interact with us when you need to.	We will make sure you have the opportunity to have your say on matters that have an impact on you.	We will recognise and draw on your experience and expertise in informing our work.
Examples	<ul style="list-style-type: none"> <li>• Newsletters</li> <li>• Social media</li> <li>• Media releases</li> <li>• Sector briefings</li> <li>• Telephone advice service</li> </ul>	<ul style="list-style-type: none"> <li>• Guidance products</li> <li>• Webinars</li> <li>• Education sessions</li> </ul>	<ul style="list-style-type: none"> <li>• Public consultation</li> <li>• User experience surveys</li> <li>• Stakeholder forums</li> </ul>	<ul style="list-style-type: none"> <li>• Stakeholder reference groups</li> <li>• Partnership project deliveries</li> </ul>

Adapted from the International Association for Public Participation (IAP2) spectrum: [www.iap2.org](http://www.iap2.org) (2007)

# Our approach to consultation

The ACNC recognises the enormous value of consultation to achieving our goals as a regulator, but also the great importance placed in it by the sector we work with. We are committed to modelling best practice in consultation with our stakeholders.

## What is consultation?

Consultation is a process where information is exchanged in a structured way to inform a decision-making process. The purpose of consultation is to provide participants with an opportunity to consider and reflect on an issue and provide feedback to decision makers. This process ensures that relevant information is considered as part of the decision-making process.

## When we will consult

The ACNC seeks to incorporate appropriate consultation into all relevant work. The nature of the issue being consulted on will affect how we consult and with whom. In making this determination, we will be guided by the significance of the impact of this decision on our stakeholders.

The ACNC is committed to providing opportunity for open consultation and public submissions to be made where our decision-making will have a significant impact on charities.

This includes, as a minimum:

- if we make any changes to the Regulatory Approach Statement
- if we make substantive changes to the Annual Information Statement, and
- if we create or change a Commissioners Interpretation Statement.

Where this is the case, the ACNC will publish the proposed changes and provide an opportunity for public submissions to be made electronically or by post. The period of consultation for any changes will always be at least once month (28 days). This may be in addition to other forms of consultation.

## Consultation mechanisms

The ACNC seeks to incorporate appropriate consultation in all major work and draws on a number of different mechanisms to do this, such as:

- formal evaluation surveys (such as customer satisfaction surveys)
- issue-specific online surveys
- consultation with established reference groups
- targeted consultation with representative groups or individuals, where appropriate, and
- processes to invite and receive public comment.

The nature of the mechanism will vary according to the nature of the proposal and the nature of the stakeholders potentially affected.

The ACNC also has more formalised consultative measures which can be used as a mechanism to facilitate ongoing engagement:

### • The Professional User Group and the Sector User Group

The Sector User Group (SUG) is a stakeholder reference panel comprising representatives who are chief executives or senior staff of leading charities around Australia.

The Professional User Group (PUG) is a stakeholder reference panel comprised of representatives who are professional service providers (such as in law and accounting) who work closely with not-for-profit clients.

The PUG and the SUG meet three times a year and provide an opportunity for the ACNC to consult on new projects and to seek feedback on its work.

- **ACNC Roundtables**

The ACNC Roundtables are a series of nation-wide meetings which bring together representative selections of a variety of sub-sectors within the ACNC's regulatory community to build relationships and share information. These meetings are held quarterly and provide participants with an opportunity to discuss issues that are important to their sub-sector.

The ACNC will utilise a variety of mechanisms to engage with stakeholders, and will be open – such as through its annual report – in reporting back on mechanisms used and outcomes.

## CASE STUDY

### ACNC Regulatory Approach Statement consultation

Shortly after its establishment, the ACNC consulted broadly with the charity sector to inform the creation of its Regulatory Approach Statement (the Statement). This document is the ACNC's central policy document and guides the way decisions are made and how regulatory powers are used.

The ACNC prepared a draft of the Statement for comment which provided a number of different ways through which charities could provide feedback.

Recognising that charities are often the subject of a range of consultations, the ACNC provided opportunities to give feedback through a number of channels. Charities were invited to contribute through:

- an online survey
- making written submissions
- attending series of community presentations, and

- participating in a 'phone in' day when respondents could call the ACNC and talk about their feedback with a staff member.

To demonstrate transparency, the ACNC published all written submissions (unless there was a request that they not be published) and, after the consultation closed, also published an analysis of feedback provided and a review of the consultation process.

The ACNC also published the Statement with notations that indicated the revisions that were made as the result of feedback and commentary on other suggestions provided through the consultation.

Over 250 organisations and individuals provided submissions on the statement and more than 2 000 people attended the community presentations.

## Regulator Performance Framework

The ACNC, as a Commonwealth regulator, is required to assess its performance against the Australian Government's Regulator Performance Framework (RPF). The framework is designed to drive cultural change in 'the way regulators administer regulations' (their regulatory approach).

The ACNC has developed a set of measures (metrics) that will be used to evaluate its performance against this framework on an annual basis through self-assessment. The results of this assessment must be validated by an external consultative body approved by the Assistant Treasurer. The Professional User Group and the Sector User Group are endorsed as the ACNC's official joint consultative mechanism for the RPF.

The metrics that are relevant to this framework are outlined below.

KPI 1	Regulators do not unnecessarily impede the efficient operation of regulated entities		
Regulators demonstrate an understanding of the operating environment of the industry or organisation, or the circumstances of individuals and the current and emerging issues that affect the sector.	1.1	Targeted consultation with the charity sector held at least once every quarter.	Performance against standard.
	1.4	Documented processes for collecting and acting on feedback from charities.	Published policy and operational procedure on complaints. Published stakeholder engagement framework.
Regulators implement continuous improvement strategies to reduce the costs of compliance for those they regulate.	1.5	The online Annual Information Statement reporting includes opportunity for charities to provide feedback.	Feedback functionality built into Charity Portal.
	1.6	The registration process includes opportunities for charities to provide feedback.	All successful and refused applicants are provided an opportunity to share feedback on the registration progress.

**KPI 2**

**Communication with regulated entities is clear, targeted and effective**

Regulators provide guidance and information that is up to date, clear, accessible and concise through media appropriate to the target audience.	2.1	Regulatory obligations of charities are explained through plain language guidance and education.	Guidance published throughout the year. Online and face-to-face education sessions delivered throughout the year.
	2.2	AA compliance with the Australian Government accessibility guidelines.	Performance against Australian Government guidelines.
	2.3	Drafts of Commissioner Interpretation Statements are provided for public comment.	Performance against standard.

**KPI 6**

**Regulators actively contribute to the continuous improvement of regulatory frameworks**

Regulators establish cooperative and collaborative relationships with stakeholders to promote trust and improve the efficiency and effectiveness of the regulatory framework.	6.1	At least three meetings of the Professional User Group are held annually.	Performance against standard.
	6.2	At least three meetings of the Sector User Group are held annually.	Performance against standard.
	6.3	Stakeholder engagement framework outlines how the ACNC will engage with stakeholders to reduce regulatory burden and enhance knowledge of the regulated sector.	Stakeholder engagement framework.
Regulators regularly share feedback from stakeholders and performance information (including from inspections) with policy departments to improve the operation of the regulatory framework and administrative processes.	6.5	Stakeholder engagement framework outlines how the ACNC will share feedback from stakeholders with policy departments.	Stakeholder engagement framework.

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