

ACNC 2015-16 Regulator Performance Framework Self-assessment

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Overview

The Australian Government released the Regulator Performance Framework (RPF) in October 2014. The RPF measures the way regulators administer regulations, encouraging them to minimise their impact on regulated entities. The RPF consists of six *key performance indicators* (KPIs):

1. Regulators do not unnecessarily impede the efficient operation of regulated entities
2. Communication with regulated entities is clear, targeted and effective
3. Actions undertaken by regulators are proportionate to the regulatory risk being managed
4. Compliance and monitoring approaches are streamlined and co-ordinated
5. Regulators are open and transparent in their dealings with regulated entities
6. Regulators actively contribute to the continuous improvement of regulatory frameworks





Achievement of the KPIs is demonstrated through *evidence* (metrics) that a regulator has acted in accordance with good regulatory practice, as articulated in the *measures* associated with each KPI.

Regulators are required to assess their performance under the RPF each year. The ACNC's results against each metric are detailed in **Appendix A**. The body of this Report summarises the ACNC's performance against each KPI, grouped into the associated measures of good regulatory practice.

Methodology

The ACNC's performance was assessed by a dedicated project team of senior ACNC officers, reviewed by ACNC directors, and endorsed by the Commissioner and Assistant Commissioners. RPF self-assessments must also be validated through a process of consultation with an approved consultation mechanism. For the ACNC, this is a combined mechanism of the Professional User Group (professional advisers) and Sector User Group (charity representatives). The ACNC's draft self-assessment report was considered by these user groups in November 2016; their comments and the ACNC's response to these comments are detailed at **Appendix B**.

Performance against each evidence metric was assessed as met, substantially, met, partially met, or not met:

Colour	Metrics
	Target met or exceeded
	Target mostly met
	Some elements of the target were met and issues managed
	No or minimal progress was made against the target

Overall performance with respect to each KPI was assessed as excellent, very good, good, fair, or poor:

KPI assessment
Excellent , with no or minor room for improvement
Very Good , with minor room for improvement
Good , with some room for improvement
Fair , with significant room for improvement
Poor , with numerous significant areas for improvement identified

Overall assessment

The ACNC considers that its overall performance in achieving the KPIs in 2015-16 was **Very Good, with minor room for improvement**.

The SUG and PUG expressed very favourable views about the performance of the ACNC under the RPF. They stressed in particular that the ACNC had made achievements during a period of significant uncertainty for the organisation. The SUG was overwhelmingly of the view that the ACNC's performance had been very good. The Professional User Group held a similar view and passed the following motion at its November 2016 meeting:

The overall view of this group is that the ACNC has regulated the sector very well, and better than any other agency with which we generally deal.

The ACNC is pleased by the positive feedback received from the user groups, but considers that there is room to improve its performance. The ACNC has been particularly strong in stakeholder engagement (including consultation) and guidance and education. Recommendations of an independent audit of the ACNC's compliance function are being implemented to improve the efficiency and effectiveness of compliance procedures. The Registration function is being administered well, however an independent audit in 2016-17 will identify areas for further improvement. Red tape reduction achievements have been important, particularly alignment of regulatory obligations across jurisdictions, yet there is much more to be done.

The ACNC looks forward to building on identified strengths, addressing areas for improvement, and thereby improving its regulation of the charity sector in Australia.

KPI Assessment

KPI 1 – Regulators do not unnecessarily impede the efficient operation of regulated entities

1A 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.

1B Regulators take actions to minimise the potential for unintended negative impacts of regulatory activities on regulated entities or affected supplier industries and supply chains.

1C Regulators implement continuous improvement strategies to reduce the costs of compliance for those they regulate.

Understanding of the sector and its operating environment

The foundation of the ACNC's regulatory approach is an understanding of charities and the broader not-for-profit sector. The ACNC develops and shares its knowledge of the sector through consultation, sector briefings, and analysis and publication of charity data. The ACNC engages the Professional User Group (professional advisers) and the Sector User Group (charities and peak bodies) on matters of procedure, guidance, and our regulation of registered charities. In 2015–16, we hosted four Professional User Group and four Sector User Group meetings. We extended our consultation with sector groups through our Roundtables series; in 2016-17, we consulted on disability services and volunteering. We also held a series of international fundraising forums, and sector briefings on the risks of terrorism financing.

Each year, the ACNC commissions analysis of the information reported annually to the ACNC by charities. The *Australian Charities Report 2014* (published in December 2015) was the first comprehensive analysis of the financial situation of Australia's charity sector. The report provided fascinating new insights into the charity sector, including activities, beneficiaries, employment and volunteering, and areas of operation. To increase accessibility and useability, we made the data from the report available to the public on an interactive website. The public can use the data to look at the sector from new angles to find out more about Australia's charities at australiancharities.acnc.gov.au. We also published several sub-sector reports: *Australia's Disability Charities*; *Australian Charities and Red Tape*; *Australian Charities Involved Overseas*; and *Sector Summary: Health*. In addition, the ACNC makes the data we collect about charities freely and easily available on the Government's official repository for open data, data.gov.au. Collectively, the ACNC's datasets were viewed 14,421 times, with the ACNC Register dataset being the fifth most downloaded dataset on the site.

Minimising unintended negative impacts of regulatory activities

In 2015-16, the ACNC reviewed both its regulatory approach and compliance function. First, the ACNC's overarching Regulatory Approach Statement was reviewed and updated in consultation with the sector. Although it was generally regarded by stakeholders as sound, the Statement was amended to improve clarity, increase alignment with legislated regulatory principles, and address omissions or out-of-date information. The ACNC also commissioned Deloitte to conduct an independent audit of the ACNC Compliance function, which was completed in April 2016. The recommendations from the audit were accepted and the Compliance Directorate is now implementing improvements to its processes, systems and approach. An audit of the registration function will take place during the 2016-17 financial year.

The ACNC also worked with other jurisdictions to identify opportunities to streamline interactions and reduce compliance costs. Legislation was passed in South Australia and in Tasmania to exempt incorporated associations that are registered with the ACNC from reporting to the state regulator. In addition, charities registered with the ACNC will be able to conduct charitable collections in South Australia upon notification to the state regulator, exempt from state reporting requirements. The ACNC also chaired a working group with State and Territory Revenue Offices to consider opportunities for alignment of charity registration and application processes.

Continuous improvement strategies reduce the costs of compliance for the sector

The ACNC consults frequently with the sector and facilitates feedback about key processes in order to improve regulation and reduce compliance costs for the sector. In 2015-16, we received 104 complaints about the ACNC, down from 177 in 2014-15. The vast majority of complaints (over 80%) received in 2015-16 about the ACNC were in relation to the Charity Portal. The ACNC invested significant resources into improving the online experience for charities and this has been effective in reducing complaints.

Through consultation and cross-directorate review, the ACNC also improved the Annual Information Statement for 2016, including: removal of unnecessary questions, additional pre-population of data; improvements to functionality, and incorporation of streamlined ancillary fund reporting to the Australian Taxation Office. Streamlined reporting arrangements for non-government schools were also implemented, through which financial information reported to the Australian Government Department of Education and Training is provided to the ACNC in place of direct reporting.

Overall assessment: **Good**

Key areas for improvement:

- further improvements to the ACNC Annual Information Statement and Charity Portal will be made to improve accessibility and useability.
- an independent audit of the registration function will be conducted in 2016-17 and process improvements will be implemented.
- continue work with state and territory regulators to eliminate duplicated reporting across jurisdictions.

KPI 2 – Communication with regulated entities is clear, targeted and effective

2A Regulators provide guidance and information that is up to date, clear, accessible and concise through media appropriate to the target audience.

2B Regulators consider the impact on regulated entities and engage with industry groups and representatives of the affected stakeholders before changing policies, practices or service standards.

2C Regulators’ decisions and advice are provided in a timely manner, clearly articulating expectations and the underlying reasons for decisions.

2D Regulators’ advice is consistent and supports predictable outcomes.

Guidance and information

During 2015–16, the ACNC delivered more tailored guidance and education resources, responding to issues identified by the Advice Services and Compliance teams, and charities themselves. We produced a suite of key guidance resources that were translated into 16 languages to support the many ACNC registered charities that are run by, or support, people from culturally and linguistically diverse backgrounds. We developed a template constitution for unincorporated association after identifying a gap in the sector for this type of information. We also developed guidance on fundraising and administration costs, managing conflicts of interest, managing charity money, and financial literacy. Additionally, we developed guidance on political advocacy activities in the lead up to the 2016 Federal Election. This guidance received positive support from the sector and is an example of the proactive nature of the ACNC’s guidance.

In 2015-16, we hosted 13 webinars, which were attended by 839 people. The most popular topics were ‘Before you register’, and ‘Welcome to the board’. We also worked with peak bodies and other government agencies to deliver information and education through sector briefings and forums. For example, sector briefings for charities working in international aid and development were delivered in Sydney, Melbourne and Brisbane. We hosted three fundraising forums, bringing together charities, academics, and third-party fundraisers to discuss current challenges and opportunities in fundraising. In addition to hosting events for the sector, in 2015-16 the ACNC presented at 72 events hosted by charities and peak bodies.

One area for improvement is in relation to accessibility of website content. The ACNC is committed to meeting the Government’s Web Content Accessibility Guidelines (WCAG) Version 2.0, but we are not yet fully compliant, in part due to system limitations. In 2015–16, we undertook useability and accessibility testing of the ACNC website to help us identify areas for improvement and have been progressively implementing the recommendations from this testing.

Consultation

The ACNC consulted with the charity sector and other stakeholders through various mechanisms in 2015-16. These included the Professional User Group and Sector User Group, roundtables on disability and volunteering, and sector forums. In particular, the ACNC consulted on the 2016 Annual Information Statement through a consultation paper, accepting written submissions (58), and face-to-face consultation sessions held in every state and territory. The consultation provided the ACNC with valuable feedback which was used to help improve the 2016 Annual Information Statement.

The ACNC also issues Commissioner Interpretation Statements (CISs) setting out how the ACNC interprets and applies the law relating to charities. We consult widely prior to publishing a CIS, providing drafts for public comment. In 2015-16, we consulted on and published two CISs: Commercially Sensitive Information; and Meaning of Government Entity.

Timely and clear decisions and advice

The ACNC is committed to providing timely, high quality services to the public and to charities. In 2015-16, significant improvements in performance were achieved. Our Advice Services team continued to provide high quality contact to ensure customers have a positive experience by phone, email, or letter

given by a well-trained, friendly and empathetic Advice Services Officer. The average wait time for calls answered reduced by 50% this year (52 seconds) compared to 2014-15 (117 seconds). The overall demand volume across all channels reduced from previous years, which may be an indication of charities developing a greater understanding of their obligations with the ACNC and how to meet them. The ACNC stakeholder groups regard the ACNC's advice as excellent in its clarity and user-friendliness.

We provide a supportive and interactive registration process, recognising that most applicants have limited knowledge of charity law. We aim to finalise registration applications within 15 business days from receiving all necessary information. We achieved this for 93% of applications during 2015-16, exceeding the 90% benchmark, and improving on our 2014-15 result of 91%. We noted a very minor decrease in overall satisfaction with the registration process: respondents rated their satisfaction at 94% compared with 95% in 2014-15. We refused 379 applications in 2015-16, a decrease of 42 from 2014-15. In all cases, a statement of reasons for decision was provided.

Under the ACNC Act, a charity or its responsible person may object to certain ACNC decisions, requesting they be internally reviewed. In 2015-16 we received 48 objections, three of which related to our decision to refuse charity registration or to refuse to register a charity with a particular subtype. The remaining 45 related to the refusal to withhold information from the Charity Register. In all cases, objections were determined by an independent case officer and, if disallowed, reasons for decision were provided.

Consistency

ACNC staff make decisions and provide advice according to published policies and operational procedures, consistent with the ACNC's overarching Regulatory Approach Statement. These policies and procedures are available publicly on the ACNC website. They include the Commissioner's Policy Statement on Decision-making, which sets out how the ACNC will make decisions in order to ensure high quality, consistent decision-making. All staff also undertook training on decision making in June 2016.

Overall assessment: **Very Good**

Key areas for improvement:

- continue to improve accessibility of web content towards 100% compliance with the Web Content Accessibility Guidelines Version 2.0.
- implement a number of behavioural insight techniques and a more sophisticated segmenting approach to ensure communications are timely and targeted.

KPI 3 – Actions undertaken by regulators are proportionate to the regulatory risk being managed

3A Regulators apply a risk-based, proportionate approach to compliance obligations, engagement and regulatory enforcement actions.

3B Regulators’ preferred approach to regulatory risk is regularly reassessed. Strategies, activities and enforcement actions are amended to reflect changing priorities that result from new and evolving regulatory threats, without diminishing regulatory certainty or impact.

3C Regulators recognise the compliance record of regulated entities, including using earned autonomy where this is appropriate. All available and relevant data on compliance, including evidence of relevant external verification is considered.

Risk-based, proportionate approach to compliance and enforcement

The ACNC has a risk-based, proportionate approach to compliance and enforcement, as articulated in our Regulatory Approach Statement and Compliance and Enforcement Policy. Generally, we take an education first approach to promote compliance; however, the compliance response will ultimately be informed by the severity of the non-compliance identified. Our investigations show that in most cases non-compliance by registered charities is unintentional, accidental and often of low material consequence. In nearly three-quarters of cases (70%), we used educational advice, self-audit checklists and voluntary undertakings to explain non-compliance and assist charities to implement corrective measures to return to compliance. In contrast, only one-third (30%) of investigations undertaken by the Compliance Directorate identified serious non-compliance resulting in revocation.

The approach to regulatory risk is regularly reassessed and improved

In 2015-16, after two years of operation we reviewed the ACNC Regulatory Approach Statement – the statement that guides our approach to charity regulation. The purpose of the review was to ensure that the Regulatory Approach Statement remains current, relevant and fit-for-purpose. The review revealed that the Statement was largely sound and the ACNC therefore took a conservative approach to updating it. Changes were focussed on improving clarity, increasing alignment with our legislated regulatory principles, and addressing omissions or out-of-date information.

The ACNC also commissioned Deloitte to conduct an independent audit of the ACNC Compliance function, which was completed in April 2016. The recommendations from the audit were accepted and are being implemented. As part of this process, all compliance procedures are currently under review and during this time have been temporarily removed from the public website. The fundamentals of our compliance and enforcement practice will not change. Our proportionate approach to compliance provides charities a chance to address concerns whilst dealing with cases of serious misconduct quickly and firmly. The ACNC uses a risk-based approach to allocate its compliance resources to address concerns that present the greatest risk to trust and confidence in the sector.

Consideration of available compliance data and recognition of compliance history

As articulated in the ACNC’s Regulatory Approach Statement and Compliance and Enforcement Policy, the ACNC considers the prior record of a charity and information from previous investigations in its risk assessments. Although ACNC compliance procedures are currently being updated, informed by the 2015-16 review of the compliance function, this fundamental principle will stand. The Compliance function is actively expanding its access to available compliance data. This includes progressing formal arrangements with other government agencies (such as AUSTRAC) to access broader government data holdings that can assist in identifying risk in the sector.

Overall assessment: Very Good

Key areas for improvement:

- all compliance processes are being improved based on recommendations from an independent audit of the compliance function, including expanding access to other government data holdings to inform compliance priorities.

KPI 4 – Compliance and monitoring approaches are streamlined and coordinated

4A Regulators’ information requests are tailored and only made when necessary to secure regulatory objectives, and only then in a way that minimises impact; AND regulators’ frequency of information collection is minimised and coordinated with similar processes including those of other regulators so that, as far as possible, information is only requested once.

4B regulators utilise existing information to limit the reliance on requests from regulated entities and share the information among other regulators, where possible.

4C Regulators base monitoring and inspection approaches on risk and, where possible, take into account the circumstance and operational needs of the regulated entity.

Information requests are necessary and coordinated, and impact is minimised

Our aim is that charities can complete all reporting requirements with minimum effort and maximum accuracy. In 2015-16, we made significant progress in meeting that aim through functionality improvements to the online self-service Charity Portal and the Annual Information Statement. The 2016 Annual Information Statement was improved to remove unnecessary questions, improve functionality (for example, auto-calculation), increase pre-population of previous year information, and incorporate Australian Taxation Office ancillary fund reporting. The functionality of the Charity Portal was improved, particularly for peak periods, leading to a significant decline in complaints: 104 in 2015-16 compared to 177 in 2014-15. We also added to and made changes to the existing suite of forms that can be submitted online. For the Charity Portal, the ACNC won the Institute of Public Administration Australia ACT Public Sector Innovation Award for Digital Transformation.

The ACNC works with other government bodies and agencies (international, Commonwealth, state and territory and local government) to ensure efficient use of resources and minimised burden for entities. This includes referring cases to other regulators where appropriate to prevent duplicated compliance responses. In the 2015-16, the ACNC received 56 referrals from other government agencies, and made 28 referrals to other government agencies.

Existing information is used and shared across government

The Charity Passport is the digital mechanism to facilitate the transfer of information (including corporate, activity, and financial information) about registered charities from the ACNC to other authorised government agencies. It is the core of the ACNC’s ‘report once, use often’ reporting framework, which reduces duplicated reporting across government. Throughout 2015-16, we worked with regulators to map business processes and data collection in order to identify opportunities to share information through the Charity Passport. Most notably, South Australia and Tasmania have legislated to accept ACNC reporting in place of their own. We welcomed 57 new users to the Charity Passport in 2015-16, which represents a four-fold increase compared to 2014-15. This is a positive trend, but there is significant scope to expand use of the Charity Passport and entrench it into standard business processes.

Monitoring and inspection is tailored and risk-based

In accordance with ACNC policies and procedures, compliance monitoring and inspection activities are only conducted in relation to those matters that present the greatest risk to trust and confidence in the sector. In recognition of the varying degrees of capacity within the sector, Compliance activities are tailored according to the size and resources of the charity. Small charities are provided longer time frames for responding to the ACNC. Some compliance outcomes, such as penalties, vary depending on the size of the charity, with large charities paying higher penalty rates than medium and small charities.

Overall assessment: Good

Areas for improvement:

- expand use of the Charity Passport.
- continue improvements to the Charity Portal and the Annual Information Statement.
- informed by the independent audit of the compliance function, improvements will be made to the ACNC’s processes for risk-based monitoring and inspection.

KPI 5 – Regulators are open and transparent in their dealings with regulated entities

5A Regulators’ risk-based frameworks are publicly available in a format which is clear, understandable and accessible.

5B Regulators are open and responsive to requests from regulated entities regarding the operation of the regulatory framework, and approaches implemented by regulators.

5C Regulators’ performance measurement results are published in a timely manner to ensure accountability to the public.

Publicly available risk-based frameworks

The ACNC’s overarching risk assessment framework is articulated within the Regulatory Approach Statement and Compliance and Enforcement Policy. The Regulatory Approach Statement was updated in 2015-16 to, amongst other objectives, improve the clarity of the Statement. It is publicly available on the ACNC website: acnc.gov.au/regulatoryapproach. The ACNC also procured an independent review of the compliance function. In response to the review, we are currently updating our compliance policies and operational procedures, including those related to risk assessment.

Transparency and responsiveness

The ACNC seeks to provide extensive information in various formats about the operation of the regulatory framework. Information was provided in 2015-16 through briefing sessions (for example, on fundraising and overseas aid), Commissioner Interpretation Statements (Commercially Sensitive Information, and Meaning of Government Entity), a suite of guidance publications, and online policies and operational procedures.

Wherever possible, the ACNC tries to make information available outside of the formal FOI process. The ACNC aims to respond to general information requests (those not made under the *Freedom of Information Act 1982* or *Privacy Act 1988*) within 30 calendar days. In 2015-16, the ACNC responded to 100% of general information requests within the 30 calendar day period.

The ACNC received 11 requests for documents under the *Freedom of Information Act 1982* (FOI Act) during 2015–16. The outcomes were: full access provided – 0; partial access provided – 3; refused access to documents– 2; transferred request to another agency – 3; request withdrawn by applicant – 3. Under Part II of the FOI Act, the ACNC is required to publish information as part of the Information Publication Scheme (IPS). The ACNC has an IPS page available at acnc.gov.au.

Timeliness in publishing performance results

Consistent with other Commonwealth regulators, the ACNC elected to publish its RPF self-assessment separately from the ACNC Annual Report. The ACNC Annual report was tabled on 28 October 2016 and is publicly available at annualreport.acnc.gov.au. The RPF self-assessment report was published on the ACNC website in December 2016.

Overall assessment: Very Good

Areas for improvement:

- informed by the independent audit of the compliance function, improvements will be made to compliance-related policies and procedures, which will be published on the ACNC website.
- an independent audit of the registration function will be conducted in 2016-17 and updated policies and procedures will be published on the ACNC website.

KPI 6 – Regulators actively contribute to the continuous improvement of regulatory frameworks

6A Regulators establish cooperative and collaborative relationships with stakeholders to promote trust and improve the efficiency and effectiveness of the regulatory framework.

6B Regulators engage stakeholders in the development of options to reduce compliance costs. This could include industry self-regulation, changes to the overarching regulatory framework, or other strategies to streamline monitoring and compliance approaches.

6C 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.

Cooperative and collaborative relationships with stakeholders

The ACNC has since its inception worked cooperatively and collaboratively with stakeholders. The Professional User Group and Sector User Group are the best examples of this relationship. Engagement with these groups throughout 2015-16 improved the ACNC's regulatory approach, Annual Information Statement, and guidance products. The ACNC developed a stakeholder engagement framework in 2015-16, which outlines our approach to consultation, the mechanisms we may use, and our RPF-linked commitments to do so. It is publicly available on the ACNC website at:

acnc.gov.au/stakeholderengagement. In addition, the ACNC has an Aboriginal and Torres Strait Islander Communities Engagement Strategy, publicly available at acnc.gov.au/ATSICommunityEngagement.

The ACNC also engaged with other regulators to share best practice approaches. The ACNC again participated in the International Charity Regulators Conference, held in November 2015 in Dublin and Belfast. The ACNC Commissioner also contributed to the Commonwealth regulators community of practice meetings, including addressing the December 2015 meeting on stakeholder experience. The ACNC Compliance Directorate continued to chair the International Regulators Teleconference, as well as the Compliance Information Forum with state and territory regulators.

Stakeholders are engaged in developing options to reduce compliance costs

Stakeholders have been directly engaged in the ACNC's efforts to align Commonwealth and state/territory regulatory and reporting obligations in the following five areas: incorporated association (and cooperative) regulations; fundraising regulation; taxation concessions (including charity definition); grants and procurement; lotteries and raffles regulation.

In February 2016, we released a report conducted by Deloitte Access Economics on options to align regulatory obligations between the ACNC and the states and territories. Through the research, commissioned by the ACNC, stakeholders were directly engaged to determine the extent of the regulatory burden and to inform options for reform. Implementing any of the options will require ongoing collaboration across different levels of government and with the sector.

Achievements in 2015-16 include:

- Legislation to align reporting in South Australia for incorporated associations and fundraisers passed the Parliament on 24 May 2016 (aligned reporting commences in 2017).
- Legislation to align Tasmanian incorporated associations reporting passed the Parliament on 2 June 2016 (aligned reporting applies to reports due after October 2016).
- An inter-jurisdictional fundraising working group was established to consider options for reform of fundraising regulation in Australia.
- The ACNC is chairing a working group with State/Territory Revenue Offices (SROs) to consider opportunities for alignment of charity registration and application processes.
- Development and publication of a paper that proposes a common definition of charity across all jurisdictions.

The ACNC also continues to work with the Australian Accounting Standards Board (AASB) to provide feedback (including that obtained from our sector consultations) about the reporting framework for not-

for-profit organisations. The ACNC made two submissions to the Australian Accounting Standards Board (AASB) in relation to AASB Exposure Draft (ED) 270 – Reporting Service Performance Information and ED 260 – Income of Not-for-Profit Entities. The ACNC opposed the introduction of AASB ED 270, which proposed a mandatory framework for service performance reporting by not-for-profit organisations. The ACNC considers there may be value in the AASB issuing a recommended (non-mandatory) framework, but the proposed framework would impose unnecessary burden on not-for-profit organisations.

Overall, the ACNC contributed \$8 million of regulation reform savings for the 2015–16 year. This saving came from a combination of: accepting financial reports lodged with state and territory regulators in place of ACNC reports for the 2016 reporting period; the publication of template rules and guidelines for unincorporated associations; and improvements to the Annual Information Statement.

Stakeholder feedback is shared with policy departments

The ACNC’s Stakeholder Engagement Framework recognises that ‘consulting with stakeholders and genuinely listening to what they have to say is essential to developing high-quality policy’. The Framework makes commitments to consult to this end, and details the principles underlying engagement and the mechanisms that may be used. However, the Framework does not yet adequately outline how the ACNC will share stakeholder feedback with policy departments. In large part, this is due to the previous uncertainty about the ACNC’s future, which made provision of policy feedback relatively ad-hoc. The ACNC nevertheless worked effectively with policy departments to consult on the regulatory framework. For example, with Treasury the ACNC facilitated sector consultation as part of the Post Implementation Review of the Statutory Definition of Charity. According to that Review report, stakeholders felt that the introduction of the statutory definition has been a positive change for the sector. The ACNC also worked with Treasury to secure through regulation a two year extension to the Commissioner’s discretion to accept reports lodged by charities with other government agencies.

Since the Government’s March 2016 commitment to retain the ACNC, the ACNC has been working with government agencies to put ongoing feedback mechanisms in place. These include regular meetings with Treasury, the Australian Taxation Office, and the Department of Social Services. In particular, the ACNC is providing feedback about possible improvements to the ACNC legislative framework; for example, amending the secrecy framework to allow increased transparency about compliance action taken by the ACNC.

Overall assessment: Very Good

Areas for improvement:

- despite progress in aligning inter-jurisdictional reporting and regulation, there is significant work to do to improve the regulatory framework for charities. The ACNC intends to work with all jurisdictions to remove duplicated reporting, simplify and harmonise the regulation of fundraising, and advocate a common definition of charity (including adoption by state and territory revenue offices).
- continue to improve the provision of feedback to policy departments, including feedback regarding possible improvements to the legislative framework.

Regulator Performance Framework – ACNC Metrics – 2015-16 Results

The measures, evidence and sources are as approved in June 2015 by the ACNC, and validated by the ACNC consultative mechanism, the Sector User Group and Professional User Group: see acnc.gov.au/rpfmeasures

Measure: as per Australian Government Regulator Performance Framework.





Evidence: evidence of performance against each measure.


Source: source of the evidence. NB: where the source is a published policy or procedure, the annual self-assessment will include assessment of the ACNC's compliance with the policy or procedure. Where relevant, the ACNC will provide narrative regarding quantitative evidence sources.


Results:



Performance with respect to each item of evidence has been assessed as met, substantially met, partially met, or not met. An analysis of the result, including further detail about performance, is also provided.

For each *source* of evidence, the particular outputs for the 2015-16 year have been provided; however, these outputs do not in themselves establish performance against the evidence.



Result	Colour	Description
Met		Target met or exceeded.
Substantially met		Targets were mostly met.
Partially met		Some targets were met and issues managed
Not met		No or minimal progress was made against target.

KPI 1 – Regulators do not unnecessarily impede the efficient operation of regulated entities				
Measures	Evidence	Source	Result	Analysis
A 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	<p>Performance against standard</p> <p>Sector User Group meetings: 4 Professional User Group meetings: 4</p> <p>Roundtable consultations: 3 (volunteering; disability)</p> <p>Consultation forums: 3 (fundraising)</p> <p>2016 Annual Information Statement consultation: 8 (one in each state and territory)</p>		<p>Targeted consultation</p> <p><i>User Groups</i> We engage with charity sector representatives through two user groups, the Professional User Group and the Sector User Group. The Professional User Group comprises professional advisers including accountants and lawyers, who comment on matters of procedure, new guidance and publications. The Sector User Group comprises representatives of peak bodies, charities and government agencies, who comment on matters of procedure, new guidance and publications, and also our interactions with and regulation of registered charities. In 2015–16, we hosted four Professional User Group and four Sector User Group meetings.</p> <p><i>Roundtables and forums</i> We continued our consultation with sector groups through our Roundtables series; in 2015-16, we consulted on disability services and volunteering. We also held a series of fundraising forums, as a response to increased media attention on the fundraising costs of charities, in Sydney, Brisbane and Melbourne. Although the ACNC does not regulate fundraising, it is a critical component of the work of charities, and linked to trust and confidence. The scandals around fundraising in the UK in 2015 had a negative impact on trust and confidence in charities. To mitigate the risk of the UK experience being replicated in Australia, the ACNC took preventative action to communicate with the public about fundraising and with charities to ensure they have the governance structures in place to reduce the likelihood of similar scandals in Australia. Bringing together thought-leaders from Australia and the world, the forums offered charities the chance to discuss issues around fundraising, including technological advances.</p>

Measure	Evidence	Source	Result	Analysis
	<p>1.2 Information reported by charities to the ACNC is analysed and published annually</p>	<p>Annually published report analysing Annual Information Statement data</p> <p>Australian Charities Report 2014</p> <p>2014 Subsector reports:</p> <ul style="list-style-type: none"> • Australia's Disability Charities • Australian Charities and Red Tape • Australian Charities Involved Overseas • Australian Charities Report – Sector Summary: Health Sector 	<p></p>	<p><i>2016 Annual Information Statement Consultation</i> In September 2015, the ACNC published a consultation paper seeking views on proposed changes for the 2016 Annual Information Statement and consulted with the sector on the proposals. Face to face consultations were held in every state and territory from September to November 2015. This consultation provided the ACNC with invaluable feedback which was used to help improve the 2016 Annual Information Statement. In addition, 58 written responses helped shape the final number and nature of questions.</p> <p>2014 Australian Charities Report Prior to the advent of the ACNC, researchers and commentators interested in the not-for-profit sector noted the 'data-deficit' in relation to the economic circumstances of charities. In 2015, the ACNC was able to begin filling this gap with the first in-depth analysis of the financial situation and economic contribution of Australia's charity sector.</p> <p>The analysis for this report was undertaken by academics at the Centre for Social Impact and the Social Policy Research Centre at the University of NSW (UNSW). It provides new and fascinating insights into the charity sector.</p> <p>The Australian Charities Report 2014 gives us a clear view of the economic and social significance of the charity sector. It also highlights the rich diversity of the sector with contributions from a wide range of areas, including education, health, aged care, social services and human rights.</p> <p>To increase accessibility and usability, we made the full dataset from the report available to the public on an interactive website ('data cube'). The public can use the data to look at the sector from new angles and in more depth to find out more about Australia's charities at australiancharities.acnc.gov.au.</p> <p>We also published sub-sector reports on:</p> <ul style="list-style-type: none"> • Australia's Disability Charities • Australian Charities and Red Tape • Australian Charities Involved Overseas • Australian Charities Report – Sector Summary: Health Sector <p>All reports are made available to the public at australiancharities.acnc.gov.au.</p> <p>Further information</p> <p><i>Open data</i> In addition to the annual charities report, the ACNC makes the data we collect about charities freely and easily available. An important part of us meeting this commitment is publishing datasets of charity information on data.gov.au – which is the Government's official repository for open data. Our dataset of registered ACNC charities is the fifth most downloaded dataset on the site, and collectively the ACNC's datasets were viewed 14,421 times during the year. During the year, we added to our existing datasets by publishing the dataset of 2014 Annual Information Statements, which enabled analysis of charity financial information for the first time.</p> <p><i>Other data analysis</i> We regularly receive and respond to inquiries about charity data, and have been able to guide many inquirers to use our data resources to bolster their research, media or policy papers. We also maintained the ACNC research network, providing a forum for researchers and academics interested in studying the sector to get together with the ACNC. At network teleconferences, attendees received updates about the ACNC's research work and shared information about their projects.</p>

Measure	Evidence	Source	Result	Analysis
<p>B</p> <p>Regulators take actions to minimise the potential for unintended negative impacts of regulatory activities on regulated entities or affected supplier industries and supply chains.</p>	<p>1.3</p> <p>Administrative practices are reviewed to identify opportunities to streamline interactions and reduce compliance costs</p>	<p>Meetings of the Reporting and Red Tape Reduction Committee (number; and yearly summary)</p> <p>The Reporting and Red Tape Reduction Committee met 9 times during the 2015-16 year.</p> <p>Published operational procedures requiring annual review of policies, procedures and forms</p> <p>Throughout 2015-16, most of the ACNC's policy statements and operational procedures, which require annual review of policies procedures and forms, were available on the ACNC website.</p>	<p></p>	<p>Reporting and Red Tape Reduction Committee The cross-directorate Reporting and Red Tape Reduction Committee (RRTRC), chaired by the Commissioner, is responsible for developing and monitoring initiatives to reduce unnecessary regulatory requirements on charities. The RRTRC is also responsible for matters related to the development and maintenance of the ACNC charity reporting framework.</p> <p>The RRTRC met 9 times during the 2015-16 year. Through cross-directorate discussions in the RRTRC several reporting improvements were considered, including:</p> <ul style="list-style-type: none"> • 2016 Annual Information Statement: removal of unnecessary questions, improvements to functionality, incorporation of streamlined Australian Taxation Office ancillary fund reporting. • Inter-jurisdictional alignment: working with South Australia and Tasmania to implement reforms to accept annual reports lodged with the ACNC in place of state requirements; and working with state and territory revenue offices to align registration and application processes. • Agreed to the establishment of an Advisory Body to oversee the development and adoption of the National Standard Chart of Accounts (NSCOA) (a tool to improve financial reporting consistency) across Australia. • Streamlined reporting for Non-government schools. <p>Operational procedures Throughout 2015-16, most of the ACNC's policy statements and operational procedures, which require annual review of policies procedures and forms, were available on the ACNC website: http://www.acnc.gov.au/ACNC/Pblctns/Pol/ACNC/Publications/Policies.aspx.</p> <p>As part of the implementation of the Regulator Performance Framework at the ACNC, the ACNC's Regulatory Approach Statement was reviewed and updated during the year in consultation with the sector. Although it was generally regarded by stakeholders as sound, the Statement was amended to improve clarity, increase alignment with legislated regulatory principles, and address omissions or out-of-date information. In addition, the ACNC commissioned an independent review of the compliance function. In April 2016, following the review, compliance-related procedures were removed for comprehensive updating. The ACNC Compliance directorate has significantly reduced duplication and removed low-value work from its processes. As a result the time taken to assess a concern and determine whether formal investigation is warranted has reduced from an average of 18.5 days down to 2.9 days. Decision points prior to investigation have been reduced from 14 to 4. Further streamlining is being implemented which is likely to reduce the time taken to investigate a charity. Once processes are tested and refined, new procedures will be placed on the ACNC website.</p> <p>As the reason for the temporary withdrawal of compliance-related operational procedures was to review and improve the procedures (administrative practices), this is considered to have improved performance against this item of evidence; however, there is much improvement to come in implementing updated practices.</p>
<p>C</p> <p>Regulators implement continuous improvement strategies to reduce the costs of compliance for those they regulate.</p>	<p>1.4</p> <p>Documented processes for collecting and acting on feedback from charities</p>	<p>Published policy and operational procedure on complaints</p> <p>Published and available on the ACNC website throughout 2015-16.</p> <p>Published stakeholder engagement framework.</p> <p>Published January 2016 and available on the ACNC website.</p>	<p></p>	<p>Published policy and operational procedure on complaints The <i>Commissioner's Statement: Complaints about charities</i> sets out how the ACNC will handle complaints from the public about charities. Originally published in 2013, it was publicly available on the ACNC website throughout 2015-16. The <i>Operational Procedure: ACNC Complaints Procedure</i>, published in December 2015, guides ACNC staff in managing complaints and feedback about ACNC staff, procedures, services, or resources.</p> <p>Stakeholder Engagement Framework 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. The ACNC Stakeholder Engagement Framework promotes this by setting out:</p> <ul style="list-style-type: none"> • our reasons for stakeholder engagement • the values and principles that underpin our approach


Measure	Evidence	Source	Result	Analysis
				<ul style="list-style-type: none"> • the scope of this work, and • our approach to undertaking consultation with stakeholders. <p>It was published in January 2016.</p> <p>Further information</p> <p><i>Feedback about the ACNC</i></p> <p>Compliments</p> <p>The compliments received regarding Advice Services can be grouped into four main themes; informative, helpful, timely, and friendly. These themes are very similar to the 2014-15 financial year. Examples of feedback in 2015-16 include:</p> <p><i>“Thank you so much for this information! It is more than expected and articulates the values and points well. I appreciate the time that you have taken in preparing this.”</i></p> <p><i>“Every time I have spoken with someone at the ACNC they have been extremely helpful and un-bureaucratic.”</i></p> <p><i>“Hi, thank you, that is really prompt, and incredibly helpful of you!”</i></p> <p><i>“Thank you so much for this information! It is more than expected and articulates the values and points well. I appreciate the time that you have taken in preparing this.”</i></p> <p><i>“As a general comment I have found the web site quite difficult to use. My issue with uploading governing documents is an example of this. The site contains many internal links and screen navigation can be very confusing.”</i></p> <p>Complaints</p> <p>In 2015-16, we received 104 complaints about the ACNC, down from 177 in 2014-15. The vast majority of complaints (over 80%) received in 2015-16 about the ACNC were in relation to the Charity Portal. The ACNC invested significant resources into improving the online experience for charities and this has been effective in reducing complaints in 2015-16.</p> <p>We have also noticed a growing interest in the ACNC's red tape reduction initiatives. An increasing number of charities have expressed concerns with duplicative reporting obligations. These concerns are particularly apparent for incorporated associations and schools – both of which have multiple reporting requirements across Commonwealth and state and territory levels. We have also taken more enquiries about the possibility of the Australian government regulating fundraising. This seems to be due to the confusion and inconsistencies charities face when operating and fundraising in more than one state.</p> <p>Case study: improving the Charity Portal</p> <p>The Charity Portal is a secure 'self-service' system for charities. Charities can log in and complete tasks that would have previously required them to submit a form via email or post, saving significant time and effort. Our aim is that charities can complete all reporting requirements with minimum effort and maximum accuracy.</p> <p>In 2015-16, we made significant progress in meeting that aim. In previous years, the functionality of the Charity Portal declined during peak periods. To address this, we made improvements to the general functionality within the Charity Portal, leading to a significant decline in complaints.</p> <p>We also added to and made changes to the existing suite of forms that can be submitted. Charities can now request a different reporting period and request an address for service change via the password reset function. A focus was providing clear guidance to help charities fill in forms accurately.</p>




Measure	Evidence	Source	Result	Analysis
	<p>1.5 The online Annual Information Statement reporting includes opportunity for charities to provide feedback</p>	<p>Feedback functionality built into Charity Portal</p> <p>Functionality for feedback about the Annual Information Statement (AIS) was available in the Charity Portal throughout 2015-16.</p>		<p>AIS feedback functionality Functionality for feedback about the Annual Information Statement (AIS) was available in the Charity Portal throughout 2015-16. In addition, the ACNC conducted consultation with the sector on the 2016 Annual Information Statement. SEE ALSO 1.1.</p> <p><i>Case study: acting on feedback to improve the Annual Information Statement</i> In 2015–16, we added a series of improvements to the Annual Information Statement forms, including pre-qualification questions. These improvements streamlined the experience for charities by reducing the number of questions that appear (where possible).</p> <p>One of the improvements was an upfront validation check to tailor questions to charities based on their current registration, specifically for basic religious charities (BRC). The validation check meant only eligible charities needed to answer these questions, which reduced the risk of charities incorrectly claiming BRC status.</p> <p>We introduced more pre-populated information based on data already submitted in prior years to streamline the reporting process for charities. We also improved our data collection and storage to ensure financial reports are stored and displayed on the Charity Register annually, making it easier for the public to access information.</p> <p>Also, eligible charities were able to opt-in to transitional arrangements which in some cases, such as for non-government schools, allowed them to transfer data from reports provided to other agencies, such as the Department of Education and Training.</p> <p>The development of the 2016 Annual Information Statement commenced in 2015–16, with work underway to reduce the online form’s “refresh” points and include auto-calculation of financial data elements. In addition, reporting requirements for ancillary funds have been incorporated, with the ACNC now collecting information on behalf of the ATO. This means that ancillary funds will no longer need to lodge an annual return with the ATO – a considerable reduction in their administrative burden.</p>
	<p>1.6 The registration process includes opportunities for charities to provide feedback</p>	<p>All successful and refused applicants are provided an opportunity to share feedback on the registration progress.</p> <p>Throughout 2015-16, successful and refused applicants were able to share feedback on the registration process.</p>		<p>Registration Feedback All registration applicants are sent an online customer experience survey, which seeks information about the organisation’s experience with the registration process, including the processing analyst’s level of helpfulness, courtesy and knowledge, the overall quality of the registration process; and timeliness.</p> <p>In 2015-16, we noted a very minor decrease in overall satisfaction with the process. This year respondents rated their satisfaction with the registration process 94% compared with 95% in 2014-15. In 2015-16, 80% of respondents were satisfied with timeliness, compared with 86% for 2014-15 – this decrease was likely caused by the increase in the number of applications received by the ACNC. 86% of applicants thought that the registration form was moderately easy to very easy to use.</p> <p>The objection rate is very low, being 0.5% of all charity applications refused in 2015–16. This indicates that, even if a refused applicant may not like the outcome they are accepting and understand the basis of our decisions.</p> <p><i>Comments on the registration process from applicants</i> “It is very rare to have someone so pleasant and helpful to deal with. Our analyst went above and beyond to help us out and is a real asset to the team at ACNC.”</p> <p>“I wish I could remember the gentlemen who told me the application was a success. In any case, he was absolutely lovely, friendly, and informative. I feel lucky that the start of my journey as a not-for-profit charity began with this person as it was such an important</p>




Measure	Evidence	Source	Result	Analysis
				<p><i>call to be told we were successful in our application and I will never forget this call and that man's kindness and professionalism."</i></p> <p><i>"I was actually surprised by how helpful they were! It countered all my prejudices about dealing with government and bureaucrats!"</i></p> <p><i>"Our analyst was very, very good. She was kind, knowledgeable, clear in communications, prompt and open with her process and what she needed from us. Please send our regards and inform her manager of her fantastic service."</i></p> <p><i>"Extremely impressed with the consistently helpful, friendly and knowledgeable manner of all ACNC representatives I spoke with. The many different phone helpline staff to my case manager were above and beyond expectations."</i></p> <p><i>"The assistance I received was the perfect balance of super professional but still approachable."</i></p>


Measure	Evidence	Source	Result	Analysis
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KPI 2 – Communication with regulated entities is clear, targeted and effective

<p>A</p> <p>Regulators provide guidance and information that is up to date, clear, accessible and concise through media appropriate to the target audience.</p>	<p>2.1</p> <p>Regulatory obligations of charities are explained through plain language guidance and education</p>	<p>Guidance published throughout the year</p> <p>New major guidance in 2015-16:</p> <ul style="list-style-type: none"> Charities and fundraising Charities, elections and advocacy Managing conflicts of interest Managing charity money Template rules for small unincorporated charities <p>Online and face-to-face education sessions delivered throughout the year</p> <p>Webinars: 12 Sector briefings: 3 Sector forums: 3 Sector events: 72</p>		<p>Guidance resources</p> <p>During 2015–16, we delivered more tailored guidance and education resources, responding to issues identified by our Advice Services and Compliance teams, other directorates, and charities themselves:</p> <ul style="list-style-type: none"> suite of key guidance resources that were translated into 16 languages to support the many ACNC registered charities that are run by, or support, people from culturally and linguistically diverse backgrounds. guidance on fundraising and administration costs in response to negative media. guidance on political advocacy activities in the lead up to the 2016 Federal Election. This guidance received positive support from the sector and is an example of the proactive nature of the ACNC’s guidance. guide to assist charity board members manage conflicts of interest and worked with the ATO to help clarify misunderstandings about the registration and endorsement process. guide for board members, “Managing charity money”, which aimed to improve governance outcomes and the effective use of resources. guidance to support charities with limited financial literacy and help them avoid common reporting errors. <p><i>Case study: template constitution for unincorporated associations</i></p> <p>The ACNC identified that many small member-based unincorporated organisations were having difficulty meeting the requirements for ACNC registration. We developed a set of template rules for unincorporated associations, with associated guidance and explanatory notes.</p> <p>Education Sessions</p> <p>In 2015-16 we hosted 13 webinars, held 3 sector forums and 3 sector briefings, and presented at 72 sector events.</p> <p><i>Webinars</i></p> <ul style="list-style-type: none"> In 2015-16 we introduced more holistic webinars to our program, looking at the role and duties of the board and we worked with the ATO to help clarify some of the misunderstandings about the registration and endorsement process. In 2015-16, we hosted 13 webinars, which were attended by 839 people. <p><i>Sector briefings: charities operating overseas</i></p> <ul style="list-style-type: none"> In 2015-16 we worked with peak bodies and with other government agencies to deliver information and education, for example, through our sector briefings for charities working in international aid and development. These sessions focused on managing risk and good governance and were delivered in Sydney, Melbourne and Brisbane <p><i>Fundraising forums</i></p> <ul style="list-style-type: none"> In February 2016 we hosted an International Fundraising Forum in Sydney. The forum brought together charities, academics, and third-party fundraising service providers from different countries to discuss regulatory issues. The forum was repeated in Melbourne in May 2016 and in Brisbane in June 2016. <p><i>Sector events</i></p> <ul style="list-style-type: none"> In addition to hosting events for the sector, in 2015-16 the ACNC presented at 72 events hosted by charities and peak bodies.
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Measure	Evidence	Source	Result	Analysis
	<p>2.2 AA compliance with the Australian Government accessibility guidelines</p>	<p>Performance against Australian Government guidelines</p> <p>Partially compliant</p>		<p>Accessibility of acnc.gov.au We are committed to meeting the Government's Web Content Accessibility Guidelines (WCAG) version 2.0 and providing content that supports and maximises accessibility. With this in mind, our focus is on providing HTML content as this is more accessible for people who use assistive technologies. Currently the system that the ACNC uses for publishing and creating information on the ACNC website data has limitations in terms of meeting our desired compliance standard.</p> <p>In 2015–16, we undertook usability and accessibility testing of the ACNC website to help us identify areas for improvement. We have been progressively implementing the recommendations from this testing and will continue to do so in 2016–17.</p>
	<p>2.3 Drafts of Commissioner Interpretation Statements are provided for public comment</p>	<p>Performance against standard</p> <p>During 2015-16 the ACNC published two Commissioner Interpretation Statements: Commercially Sensitive Information; and Meaning of Government Entity</p>		<p>Commissioner Interpretation Statements Commissioner Interpretation Statements (CISs) set out how the ACNC interprets and applies the law relating to charities. ACNC staff are bound by these Statements when making decisions about charities, and use them to provide reliable guidance to charities and the public on how the ACNC understands and applies the law.</p> <p>The ACNC consults widely prior to publishing a CIS, providing drafts for public comment. Particular groups such as ACNC Advisory Board, the Professional User Group and the Sector User Group, as well as identified experts in the relevant area are asked for comment. Their feedback is taken into account in finalising the CIS for publication. In 2015-16, the ACNC consulted on and published 2 CISs:</p> <p><i>Commercially Sensitive Information</i> Section 40-10(2)(a) of the ACNC Act gives the Commissioner the discretion to withhold or remove commercially sensitive information from the ACNC Register if satisfied that publication could cause detriment to a charity (or former charity), or to an individual. This CIS sets out how the ACNC will consider and determine an application to have commercially sensitive information withheld or removed. The ACNC's interpretation of what is commercially sensitive information is set out in the CIS, together with example scenarios regarding how the ACNC will apply the CIS in practice.</p> <p><i>Meaning of Government Entity</i> The definition of charity in s 5 of the Charities Act provides that a charity cannot be a government entity. The CIS provides guidance about the way in which the ACNC will interpret the meaning of government entity when determining whether an entity is a charity. Given the technical nature of the concept, it is expected to be most useful for legal and other professionals.</p>
<p>B Regulators consider the impact on regulated entities and engage with industry groups and representatives of the affected stakeholders before changing policies, practices or service standards.</p>	<p>2.4 See 1.1, 1.2, 1.4, 6.1, 6.2 and 6.3</p>			<p>SEE 1.1, 1.2, 1.4, 6.1, 6.2 AND 6.3</p>




Measure	Evidence	Source	Result	Analysis						
<p>C</p> <p>Regulators' decisions and advice are provided in a timely manner, clearly articulating expectations and the underlying reasons for decisions.</p>	<p>2.5</p> <p>Applications for charity registration are determined within 15 business days of receiving all information</p>	<p>Performance against standard</p> <table border="1" data-bbox="779 325 1081 571"> <thead> <tr> <th></th> <th>Target</th> <th>Result</th> </tr> </thead> <tbody> <tr> <td>Determine registration within 15 business days of receiving all information</td> <td>90%</td> <td>93%</td> </tr> </tbody> </table>		Target	Result	Determine registration within 15 business days of receiving all information	90%	93%		<p>Registration timeliness We provide a supportive and interactive registration process, recognising that most applicants have limited knowledge of charity law. Our service standard is to finalise applications within 15 business days of receiving all necessary information. We achieved this standard for 93% of applications during 2015–16, exceeding the 90% benchmark and improving on our 2014–15 result of 91%.</p> <p>In 2015-16, we noted a very minor decrease in overall satisfaction with the registration process. This year respondents rated their satisfaction with the registration process 94% compared with 95% in 2014-15. In 2015-16, 80% of respondents were satisfied with timeliness, compared with 86% for 2014-15 – this decrease was likely caused by the increase in the number of applications received by the ACNC. 86% of applicants thought that the registration form was moderately easy to very easy to use.</p> <p>Timeliness of advice Although evidence item 2.5 focuses on Registration timeliness, the ACNC's performance in providing advice is also relevant here. Our Advice Services team aims to provide high quality contact to ensure customers have a positive experience by phone, email, or letter given by a well-trained, knowledgeable, friendly, and empathetic Advice Services Officer. The average wait time for calls answered this year (52 seconds) reduced by 50% compared to 2014-15 (117 seconds). The overall demand volume across all channels reduced from previous years, which may be an indication of charities developing a greater understanding of their obligations with the ACNC and how to meet them.</p>
		Target	Result							
	Determine registration within 15 business days of receiving all information	90%	93%							
<p>2.6</p> <p>Refused applications for registration or remission of penalties are accompanied by a statement of reasons for decision</p>	<p>Performance against standard</p> <p>In 2015-16 we refused 379 applications, a decrease of 42 from 2014-15. In all cases, a statement of reasons for decision was provided.</p>		<p>Registration refusal: statement of reasons In 2015-16 we refused 379 applications, a decrease of 42 from 2014-15. In all cases, a statement of reasons for decision was provided.</p> <p>The most common reason for refusal, accounting for 95% of all refusals, was that the applicant provided insufficient information for the analyst to determine whether the application met registration requirements. In these situations, we make several attempts to obtain the missing information before refusing an application.</p> <p>The remaining 5% of applicants were refused on the basis that their organisation did not meet the requirements for registration as the applicant:</p> <ul style="list-style-type: none"> • had non-charitable purposes (for example, sporting or recreational purposes) • provided private benefit • did not meet the not-for-profit requirements. 							
<p>2.7</p> <p>All objections are determined by an independent case officer and if disallowed are accompanied by reasons for decision</p>	<p>Performance against standard</p> <p>In 2015-16 we received 48 objections. In all cases, objections were determined by an independent cases officer and, if disallowed, reasons for decision were provided to the applicant.</p> <p>Of the objection requests received in 2015-16 that have been finalised:</p> <ul style="list-style-type: none"> • 57% of the original decisions were upheld • 29% of the original decisions were overturned • 14% of the requests were withdrawn 		<p>Objections Under the ACNC Act, a charity or its responsible person may object to certain ACNC decisions, requesting they be internally reviewed. In 2015-16 we received 48 objections, three of these related to our decision to refuse charity registration or to refuse to register a charity with a particular subtype. The remaining 45 related to the refusal to withhold information from the Charity Register. In all cases, objections were determined by an independent cases officer and, if disallowed, reasons for decision were provided to the applicant.</p> <p>Of the objection requests received in 2015-16 that have been finalised:</p> <ul style="list-style-type: none"> • 57% of the original decisions were upheld • 29% of the original decisions were overturned • 14% of the requests were withdrawn <p>The ACNC Act (Part 7 2) sets out a formal reviews and appeals procedure for certain decisions. These decisions must be internally reviewed by another ACNC officer before being reviewed by the AAT and/or appealed to a court. Other decisions may be directly appealed to a court for judicial review. To ensure transparency about these processes, the ACNC has published on its website the <i>Commissioner's Policy Statement: Reviews and Appeals</i>.</p>							

Measure	Evidence	Source	Result	Analysis
<p>D Regulators' advice is consistent and supports predictable outcomes.</p>	<p>2.8 Staff make decisions according to published policies and procedures</p>	<p>Published policies and operational procedures</p> <p>Throughout 2015-16, most* of the ACNC's policy statements and operational procedures, including the <i>Commissioner's Policy Statement on Decision-making</i>, were available on the ACNC website: acnc.gov.au/...</p> <p>*In April 2016, following review of the ACNC compliance function, compliance-related procedures were removed for comprehensive updating. They will be restored to the public website at the completion of this process.</p>		<p>Consistent decision making</p> <p>ACNC staff make decisions according to published policies and operational procedures, consistent with the ACNC's overarching Regulatory Approach Statement. These policies and procedures are available publicly on the ACNC website: http://www.acnc.gov.au/ACNC/Pblctns/Pol/ACNC/Publications/Policies.aspx. They include the <i>Commissioner's Policy Statement 2012/03: Decision-making</i>, which sets out how the ACNC will make decisions in order to ensure high quality decision-making, promote consistency in decisions and to inform the public about how the ACNC makes decisions.</p> <p>All staff also undertook training on decision making, delivered by the Australian Public Service Commission, in June 2016.</p> <p>In 2015-16, the ACNC commissioned a comprehensive review of its compliance function, including all relevant policies and procedures. As a result of the review, compliance-related procedures were removed for comprehensive updating. They will be restored to the public website at the completion of this process.</p>

Measure	Evidence	Source	Result	Analysis
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KPI 3 – Actions undertaken by regulators are proportionate to the regulatory risk being managed




<p>A</p> <p>Regulators apply a risk-based, proportionate approach to compliance obligations, engagement and regulatory enforcement actions.</p>	<p>3.1</p> <p>Regulatory approach is risk-based and proportionate</p>	<p>Published annual compliance report outlining compliance activity and future focus areas</p> <p>Annual compliance activity was published within the Annual Report. Future focus areas for 2015-16 were included in the March 2015 publication, <i>Charity Compliance Report: December 2012 – December 2014 And Beyond</i>.</p> <p>Published regulatory approach statement</p> <p>Reviewed, updated and published the updated ACNC Regulatory Approach Statement.</p>		<p>Compliance activity and focus areas</p> <p>The ACNC uses a risk-based approach to allocate its compliance resources to address concerns that present the greatest risk to trust and confidence in the sector. Following independent review of the ACNC compliance function in 2015-16, the ACNC's risk-based practices are being further improved.</p> <p>SEE ALSO 3.2.</p> <p>Generally, we take an education first approach to promote compliance; however, the compliance response will ultimately be informed by the severity of the non-compliance identified. Our investigations show that in most cases non-compliance by registered charities is unintentional, accidental and often of low material consequence. In nearly three-quarters of cases (70%), we used educational advice, self-audit checklists and voluntary undertakings to explain non-compliance and assist charities to implement corrective measures to return to compliance. In contrast, only one-third (30%) of investigations undertaken by compliance identified serious non-compliance resulting in revocation.</p> <p>In 2015-16, the ACNC's Compliance Directorate assessed 215 concerns relating to 179 registered charities. Most concerns (27%) related to governance standard 5 – the duties of a charity's responsible persons. Twenty-three per cent of concerns related to the purpose, or not-for-profit nature, of a registered charity or its entitlement to registration.</p> <p>Following an initial Compliance assessment, 25 cases were found to have minor-concerns and the relevant charities were provided an opportunity to assess and review their processes and provide the ACNC with a summary of their action.</p> <p>In 2015-16, 142 compliance cases were finalised. These include 116 proactive reviews of charities operating overseas – a higher risk group. The outcomes were:</p> <ul style="list-style-type: none"> • 10 charities were revoked • 1 charity was given a written warning • 4 charities agreed to undertake a number of steps to address issues of non-compliance • 17 charities were provided with targeted education and guidance to help them improve their compliance • 110 cases required no formal compliance response. <p>SEE ALSO 4.1.</p> <p>In March 2015, the ACNC outlined its compliance focus areas for the next 12 to 18 months: concerns that involve serious mismanagement or misappropriation, serious or deliberate breaches of the ACNC Act, and situations where vulnerable people or significant charitable assets are at risk. Also:</p> <ul style="list-style-type: none"> • lodgement of Annual Information Statements • accuracy of Annual Information Statements and financial reports • charities operating overseas • charities that provide private benefits to their responsible persons or associates, and • charities that are involved with illegal activity or tax avoidance. <p>Future compliance focus areas for 2016-17 have not yet been published.</p> <p><i>Review of ACNC Regulatory Approach Statement</i></p> <p>SEE 3.3.</p>
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Measure	Evidence	Source	Result	Analysis
	3.2 Risk-based compliance and enforcement policy is published	<p>Published compliance and enforcement policy</p> <p>The ACNC's risk-based Compliance and Enforcement Policy was available on the ACNC website throughout 2015-16.</p>		<p>Compliance function review</p> <p>The ACNC commissioned Deloitte to conduct an independent audit of the ACNC Compliance function, which was completed in April 2016. The recommendations from the audit were accepted and are being implemented. As part of this process, all compliance procedures are being improved and during this time have been temporarily removed from the public website. The procedures will be re-published following this process. The overarching Compliance and Enforcement Policy, which supplements the ACNC's Regulatory Approach Statement and sets out our general approach to regulating charities, remained on the website throughout 2015-16.</p> <p>The underlying principles of our compliance and enforcement practice will not change. The ACNC uses a risk-based approach to allocate its compliance resources to address concerns that present the greatest risk to trust and confidence in the sector. Our proportionate approach to compliance provides charities a chance to address concerns whilst dealing with cases of serious misconduct quickly and firmly. This is consistent with the objects of the ACNC Act, which require the Commissioner to have regard to, among other things, the principles of regulatory necessity, reflecting risk, and proportionate regulation (section 15-10 of the ACNC Act).</p>
B	3.3 Regulatory approach is reviewed every three years	<p>Performance against standard</p> <p>The ACNC's regulatory approach, as articulated in the Regulatory Approach Statement, was reviewed during 2015.</p> <p>Published regulatory approach statement</p> <p>The ACNC's updated Regulatory Approach Statement was published on 27 November 2015.</p>		<p>Review of ACNC Regulatory Approach Statement</p> <p>In 2015-16 after two years of operation, and consistent with the RPF, we elected to review the ACNC Regulatory Approach Statement – the statement that guides our approach to charity regulation. The purpose of the review was to ensure that the Regulatory Approach Statement remains current, relevant and fit-for-purpose.</p> <p>The review process included consulting with the public, ACNC Advisory Board, Sector User Group and Professional User Group. The review revealed that the Regulatory Approach Statement was largely sound. The ACNC therefore took a conservative approach to updating it. The changes were focused on improving clarity, increasing alignment with our legislated regulatory principles, and addressing omissions or out-of-date information.</p> <p>The revised Regulatory Approach Statement was published on 27 November 2015. It is available at: acnc.gov.au/regulatoryapproach.</p>
C	3.4 Compliance and enforcement policy considers the prior record of a charity and information from previous investigations in its risk assessment, where possible	<p>Published compliance and enforcement policy and operational procedures</p> <p>The ACNC Compliance and Enforcement Policy was available on the ACNC website throughout 2015-16. In April 2016, following review of the ACNC compliance function, compliance-related procedures were removed for comprehensive updating. They will be restored to the website at the completion of this process.</p> <p>Published annual compliance report outlining compliance activity and future focus areas</p> <p>Annual compliance activity was published within the Annual Report. Future focus areas were included in the March 2015 publication, <i>Charity Compliance Report: December 2012 – December 2014 And Beyond</i>.</p>		<p>Charity compliance history</p> <p>As articulated in the ACNC's Regulatory Approach Statement and Compliance and Enforcement Policy, the ACNC considers the prior record of a charity and information from previous investigations in its risk assessments. Although ACNC compliance procedures are currently being updated, informed by the 2015-16 review of the compliance function, this fundamental principle will stand. However, in practice the ACNC has identified the need to significantly expand its access to available Compliance data. The ACNC will do so throughout 2016-17, including progressing formal arrangements with other government agencies (such as AUSTRAC) to access broader government data holdings that can assist in identifying risk in the sector.</p> <p>SEE ALSO 3.1 AND 3.2.</p>






Measure	Evidence	Source	Result	Analysis
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KPI 4 – Compliance and monitoring approaches are streamlined and coordinated

<p>A</p> <p>Regulators' information requests are tailored and only made when necessary to secure regulatory objectives, and only then in a way that minimises impact.</p> <p>Regulators' frequency of information collection is minimised and coordinated with similar processes including those of other regulators so that, as far as possible, information is only requested once.</p>	<p>4.1</p> <p>Compliance teams use internally and publicly available data to identify candidates for investigation</p>	<p>Published compliance and enforcement policy and operational procedures</p> <p>The ACNC Compliance and Enforcement Policy was available on the ACNC website throughout 2015-16. In April 2016, following review of the ACNC compliance function, compliance-related procedures were removed for comprehensive updating. They will be restored to the public website at the completion of this process.</p> <p>Published annual compliance report outlining compliance activity and future focus areas</p> <p>Annual compliance activity and future focus areas are now published within the Annual Report.</p>		<p>Compliance information</p> <p>Receiving and investigating concerns about charities is a key component of our work to maintain and enhance public trust and confidence in the sector. The Compliance and Enforcement Policy outlines how the ACNC gathers and uses information to identify cases for investigation, and commits staff to not burdening charities any more than is reasonably necessary in doing so. As outlined in the ACNC Annual Report, in 2015-16 the ACNC received 930 concerns about charities - a 15% increase compared to 2014-15.</p> <p>Infographic: concerns year on year</p> <table border="1"> <thead> <tr> <th></th> <th>2012-13</th> <th>2013-14</th> <th>2014-15</th> <th>2015-16</th> </tr> </thead> <tbody> <tr> <td>Complaints and concerns</td> <td>245</td> <td>639</td> <td>810</td> <td>930</td> </tr> </tbody> </table> <p>Approximately two-thirds of concerns raised in 2015-16 originated from members of the public. The majority of the concerns received by the ACNC (66%) were addressed by our Advice Services directorate through education, guidance, or were out of our jurisdiction. Where the concern being raised is outside of the ACNC's jurisdiction, for example internal disputes or employment issues, we refer the complainant to the relevant regulator, or a source of advice. The remaining (34%) were progressed to the Compliance directorate for assessment.</p> <p>Compliance action may also be initiated in response to issues identified through the media or through the ACNC's information holdings, such as Annual Information Statement data. The ACNC works with other government bodies and agencies (international, Commonwealth, state and territory and local government) to ensure an appropriate whole-of-government approach is taken to compliance and enforcement matters. Through these close working relationships the Compliance team also receives direct referrals from other government agencies.</p> <p>The ACNC will continue to improve its use of data for compliance purposes, and will enhance access to broader government data holdings that can assist in identifying risk in the sector.</p> <p>SEE ALSO 3.4.</p> <p>Source of concerns that are addressed by the Compliance directorate</p> <table border="1"> <thead> <tr> <th>Source of concern</th> <th>2015-16</th> </tr> </thead> <tbody> <tr> <td>Charity (self-report)</td> <td>2%</td> </tr> <tr> <td>Funding providers/donors/volunteers</td> <td>3%</td> </tr> <tr> <td>Charity beneficiaries</td> <td>4%</td> </tr> <tr> <td>Employees (current or past)</td> <td>5%</td> </tr> <tr> <td>Anonymous</td> <td>5%</td> </tr> <tr> <td>Media</td> <td>5%</td> </tr> <tr> <td>Other</td> <td>5%</td> </tr> <tr> <td>Responsible persons</td> <td>8%</td> </tr> <tr> <td>Other Government agency referral</td> <td>12%</td> </tr> <tr> <td>Members of the general public (not part of other categories)</td> <td>18%</td> </tr> <tr> <td>Identified by the ACNC</td> <td>33%</td> </tr> </tbody> </table>		2012-13	2013-14	2014-15	2015-16	Complaints and concerns	245	639	810	930	Source of concern	2015-16	Charity (self-report)	2%	Funding providers/donors/volunteers	3%	Charity beneficiaries	4%	Employees (current or past)	5%	Anonymous	5%	Media	5%	Other	5%	Responsible persons	8%	Other Government agency referral	12%	Members of the general public (not part of other categories)	18%	Identified by the ACNC	33%
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Measure	Evidence	Source	Result	Analysis
	<p>4.2 ACNC approved forms only request information necessary for the function of the form</p>	<p>Published operational procedure on creating, updating and reviewing forms Operational Procedure 2014/03: Creating, updating and reviewing forms.</p>		<p>Collection of necessary information The ACNC has published <i>Operational Procedure 2014/03: Creating, updating and reviewing forms</i>. This policy has been updated to confirm that when drafting or modifying any forms, that the purpose and function of the form should be considered, and only information needed to fulfil these functions should be requested. The reporting obligations imposed by ACNC forms are also overseen by the cross-directorate Reporting and Red Tape Reduction Committee (RRTRC) SEE ALSO 1.3.</p>
	<p>4.3 The Annual Information Statement is available through the online ACNC Charity Portal</p>	<p>Charity Portal The 2015 Annual Information Statement was made available through the online Charity Portal in September 2015.</p>		<p>Annual Information Statement in the Charity Portal The Charity Portal is a secure 'self-service' system for charities. Charities can log in and complete tasks that would have previously required them to submit a form via email or post, saving significant time and effort. Our aim is that charities can complete all reporting requirements with minimum effort and maximum accuracy. The 2015 Annual Information Statement was made available through the Charity Portal in September 2015. Improvements were made to the 2015 Annual Information Statement in both functionality and guidance. We will continue to implement improvements to the 2016 Annual Information Statement, such as auto-calculation of financial data elements. In June 2016 the ACNC's Charity Portal was nominated for an Institute of Public Administration Australia Public Sector Innovation Award in the Digital Transformation category. This category recognised initiatives that demonstrate the spirit of digital transformation, including providing better and easier services and interactions with citizens. The ACNC's Charity Portal was one of three finalists, and was announced as the winner announced in July 2016.</p>
	<p>4.4 Streamlined reporting processes are implemented to obtain information from other regulators where appropriate</p>	<p>Performance against standard Streamlined reporting in place for: non-government schools; Indigenous Corporations; higher education providers;</p>		<p><i>Streamlined reporting for highly regulated sectors</i> In 2015-16, we worked closely with the Commonwealth Department of Education and Training (DET) to implement streamlined reporting arrangements for non-government schools that are charities registered with the ACNC. For the 2016 year (as in 2014 and 2015), the ACNC accepted financial information lodged by non-government schools with DET in place of an annual financial report and the financial questions in the Annual Information Statement. Participating schools are given an opportunity to verify the financial information prepopulated in the Annual Information Statement from the financial questionnaires before this is published on the Charity Register. The ACNC continues to work closely with DET and the sector to further streamline reporting arrangements for future years. Charities registered as Aboriginal and Torres Strait Islander corporations are regulated by the Office of the Registrar of Indigenous Corporations (ORIC). Charities registered with ORIC are not required to report separately to the ACNC; the ACNC obtains relevant reports from ORIC. In 2015-16 we also re-established discussions with the Tertiary Education Quality Standards Agency (TEQSA) with a view to minimise reporting duplication and continue to pursue similar arrangements for the highly regulated subsectors. We will make this work a priority in 2016-17. <i>2016 AIS ancillary fund reporting</i> Throughout 2015-16, the ACNC worked with the Australian Taxation Office (ATO) to incorporate ATO ancillary fund questions into the 2016 Annual Information Statement. This has since been implemented: the ACNC now collects information on behalf of the ATO so that ancillary funds no longer need to lodge a separate annual return with the ATO.</p>

Measure	Evidence	Source	Result	Analysis
<p>B</p> <p>Regulators utilise existing information to limit the reliance on requests from regulated entities and share the information among other regulators, where possible.</p>	<p>4.5</p> <p>Charity Passport developed and maintained so that central charity data is available to government regulators to reduce regulatory burden</p>	<p>Availability of Charity Passport information</p> <p>The ACNC Charity Passport was available to authorised government officials throughout 2015-16.</p> <p>Number of new users added in 2015-16: 57</p> <p>Number of users at 30 June 2016: 71</p>		<p>Charity Passport</p> <p>The Charity Passport is the digital mechanism to facilitate the transfer of information (including corporate, activity, and financial information) about registered charities from the ACNC to other authorised government agencies. It is the core of the ACNC's 'report once, use often' reporting framework, which reduces duplicated reporting across government.</p> <p>The Government announcement in March 2016 to retain the ACNC has given assurance to state, territory and Commonwealth regulators that negotiations towards harmonisation of charity regulation and reporting can continue and expand. Using the Charity Passport data as a platform, we have worked with regulators in mapping business processes against ACNC held data in order to identify opportunities to use the Charity Passport. We will continue to work with all government regulators in maximising the potential for the 'report once, use often' framework to be realised, including in areas of registration, reporting, state taxation, and grants application and acquittal processes.</p> <p>In 2015-16, we welcomed 57 new users to the Charity Passport, which represents a four-fold increase compared to 2014-15. The number of government officials with access to the Charity Passport as at 30 June 2016 was 71 across Commonwealth and states and territory agencies.</p>
	<p>4.6</p> <p>Compliance officers share information with and make referrals to other regulators where appropriate</p>	<p>Published annual compliance report outlining compliance activity and future areas of focus</p> <p>Annual compliance activity and future focus areas are now published within the Annual Report.</p>		<p>Working with other regulators</p> <p>In considering appropriate responses to compliance concerns, the ACNC worked with other regulators to determine who is best placed to act. This improved the efficiency of compliance activity helped to ensure that charities were not burdened with enquiries from multiple government regulators.</p> <p>As outlined in the 2015-16 ACNC Annual Report, the ACNC:</p> <ul style="list-style-type: none"> • Received 56 referrals from other government agencies. • Made 28 referrals to other government agencies where the ACNC considered there may be possible action under their legislation.
<p>C</p> <p>Regulators base monitoring and inspection approaches on risk and, where possible, take into account the circumstance and operational needs of the regulated entity.</p>	<p>4.7</p> <p>Compliance staff act in accordance with risk-based policies and procedures</p>	<p>Published compliance and enforcement policy and operational procedures</p> <p>The ACNC Compliance and Enforcement Policy was available on the ACNC website throughout 2015-16. In April 2016, following a review of the ACNC compliance function, compliance-related procedures were removed for comprehensive updating. They will be restored to the public website at the completion of this process.</p> <p>Published annual compliance report outlining compliance activity and future focus areas</p> <p>Annual compliance activity and future focus areas are now published within the Annual Report.</p>		<p>Risk-based practice</p> <p>ACNC Staff act in accordance with risk-based policies and procedures, consistent with the overarching ACNC Regulatory Approach Statement and Compliance and Enforcement Policy. Compliance monitoring and inspection activities are only conducted in relation to those matters that present the greatest risk to trust and confidence in the sector. In recognition of the varying degrees of capacity within the sector, Compliance activities are tailored according to the size and resources of the charity. Small charities are provided longer time frames for responding to the ACNC. Some compliance outcomes, such as penalties, vary depending on the size of the charity, with large charities paying higher penalty rates than medium and small sized charities.</p> <p>Following review of the ACNC compliance function in 2015-16, the ACNC's risk-based procedures are being updated to improve practice.</p> <p>SEE ALSO 3.1, 3.2 AND 3.3.</p> <p><i>Case study: the risk of terrorism financing</i></p> <p>The ACNC is proactive in identifying particular compliance risks to the sector, such as terrorism financing. The ACNC worked with other government bodies and agencies (international, Commonwealth, state and territory and local government) to ensure an appropriate whole-of-government approach is taken identify trends and areas of potential risk.</p> <p>In 2015-16, the Compliance Directorate reviewed 129 charities operating overseas. The purpose of this review was to ensure charities operating overseas were exercising all reasonable precautions and due diligence and to ensure funds were not inadvertently directed toward terrorism, money-laundering or other non-charitable purposes. This review included the provision of additional guidance and tools to assist charities operating overseas to implement and maintain strong governance structures and practices to reduce the risk of being misused for terrorism financing or other crime.</p>



Measure	Evidence	Source	Result	Analysis
KPI 5 – Regulators are open and transparent in their dealings with regulated entities				
A	Regulators' risk-based frameworks are publicly available in a format which is clear, understandable and accessible.	5.1	Regulatory Approach Statement is published online The ACNC's Regulatory Approach Statement was publicly available on the ACNC website throughout 2015-16.	 Regulatory Approach Statement The ACNC's Regulatory Approach Statement, which was updated in 2015-16, is available at acnc.gov.au/regulatoryapproach . SEE 3.3.
		5.2	Risk assessment framework is published online Performance against standard	 Risk assessment framework In 2015-16, the ACNC reviewed its compliance function and as a result we are currently updating our compliance policies and operational procedures. The ACNC's overarching risk assessment framework is articulated within the Regulatory Approach Statement and Compliance and Enforcement Policy. SEE 3.1 AND 3.2.
B	Regulators are open and responsive to requests from regulated entities regarding the operation of the regulatory framework, and approaches implemented by regulators.	5.3	Response to all requests for access to information provided within 30 days (those not under FOI or Privacy Acts) Performance against standard Responses to general information requests within 30 days: 100%	 General Information Requests Wherever possible, the ACNC tries to make information available to the public outside of the formal FOI process. The ACNC aims to respond to general information requests (those not made under the <i>Freedom of Information Act 1982</i> or <i>Privacy Act 1988</i>) within 30 calendar days. In 2015-16, the ACNC responded to 100% of general information requests within the 30 calendar day period.
		5.4	Response to Freedom of Information Act Requests handled within 30 days (plus statutory extensions) or 60 days where third party consultation is required. Performance against standard Responses to FOI Act within 30 days: 100% Responses to FOI Act within 60 days where third party consultation is required: 100%	 Freedom of Information Act Requests As outlined in the ACNC Annual Report, The ACNC received 11 requests for documents under the <i>Freedom of Information Act 1982</i> (FOI Act) during 2015–16. The outcomes were: <ul style="list-style-type: none"> • Full access provided – 0 • Partial access provided – 3 • Refused access to documents – 2 • Transferred request to another agency – 3 • Request withdrawn by applicant – 3 Under Part II of the FOI Act, the ACNC is required to publish information as part of the Information Publication Scheme (IPS). Each agency must display on its website a plan showing what information it publishes in accordance with the IPS requirements. The ACNC has an IPS page available at acnc.gov.au .
C	Regulators' performance measurement results are published in a timely manner to ensure accountability to the public.	5.5	RPF self-assessment published in the ACNC Annual Report Performance against standard Consistent with other Commonwealth regulators, the ACNC has elected to publish its RPF self-assessment separately from the Annual Report.	 RPF self-assessment report Consistent with other Commonwealth regulators, the ACNC elected to publish its RPF self-assessment separately from the ACNC Annual Report. It will be made publicly available on the ACNC website by the end of the 2016 calendar year, in accordance with RPF requirements. Although the RPF self-assessment report was not published in the Annual Report, the effect is that it will still be published in a timely manner to ensure public accountability, and so we consider that this standard has been substantially met.

Measure	Evidence	Source	Result	Analysis
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KPI 6 – Regulators actively contribute to the continuous improvement of regulatory frameworks

A	Regulators establish cooperative and collaborative relationships with stakeholders to promote trust and improve the efficiency and effectiveness of the regulatory framework.	6.1	<p>At least three meetings of the Professional User Group are held annually</p> <p>Performance against standard</p> <p>Meetings of the Professional User Group held in 2015-16: 4</p>		<p>Professional User Group</p> <p>The Professional User Group (PUG) comprises professional advisers including accountants and lawyers, who comment on matters of procedure, new guidance and publications. In 2015–16, we convened four meetings of the Professional User Group. Engagement with the PUG throughout 2015-16 improved the ACNC’s regulatory approach, Annual Information Statement, and guidance products.</p>
		6.2	<p>At least three meetings of the Sector User Group are held annually</p> <p>Performance against standard</p> <p>Meetings of the Sector User Group held in 2015-16: 4</p>		<p>Sector User Group</p> <p>The Sector User Group (SUG) comprises representatives of peak bodies, charities and government agencies, who comment on matters of procedure, new guidance and publications, and also our interactions with and regulation of registered charities. In 2015-16, we convened four meetings of the Sector User Group. Engagement with the SUG throughout 2015-16 improved the ACNC’s regulatory approach, Annual Information Statement, and guidance products.</p>
		6.3	<p>Stakeholder engagement framework outlines how the ACNC will engage with stakeholders to reduce regulatory burden and enhance knowledge of the regulated sector</p> <p>Stakeholder Engagement Framework</p> <p>The ACNC Stakeholder Engagement Framework was published on the ACNC website in January 2016.</p>		<p>Stakeholder Engagement Framework</p> <p>The ACNC developed a stakeholder engagement framework outlining our approach to consultation, the mechanisms we may use, and our RPF-linked commitments to do so. It is publicly available (published on January 2016) on the ACNC website at: acnc.gov.au/stakeholderengagement. The Framework is aligned with the RPF the approach and mechanisms articulated in the it address the reduction of regulatory burden. For example: ‘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.’</p> <p>In addition, the ACNC has an Aboriginal and Torres Strait Islander Communities Engagement Strategy, publicly available at acnc.gov.au/ATSICommunityEngagement.</p> <p>Communities of Practice</p> <p>The ACNC again participated in the International Charity Regulators Conference, which was held in November 2015 in Dublin and Belfast. The ACNC Commissioner also contributed to the Commonwealth regulators community of practice meetings, including addressing the December 2015 meeting on stakeholder experience. The ACNC Compliance Directorate continued to chair the International Regulators Teleconference, as well as the Compliance Information Forum with state and territory regulators, to share best-practice and discuss risks.</p>
B	Regulators engage stakeholders in the development of options to reduce compliance costs. This could include industry self-regulation, changes to the overarching regulatory framework, or other strategies to streamline monitoring and compliance approaches.	6.4	See 6.1, 6.2 and 6.3		<p>Stakeholder engagement and regulatory framework improvement</p> <p>Although there is much more to be done, stakeholders were extensively engaged in 2015-16 to improve the regulatory framework for charities. The ACNC’s objective is to align ACNC and state/territory regulatory and reporting frameworks in the following five areas:</p> <ol style="list-style-type: none"> 1. incorporated association (and cooperative) regulations 2. fundraising licensing and regulation 3. taxation concessions (including charity definition) 4. grants and procurement 5. lotteries and raffles regulation. <p>In 2014-15, we commissioned Deloitte Access Economics to undertake a research project to determine the options available to align regulatory obligations between the ACNC and the states and territories. This report, released in February 2016, is a companion piece to an earlier publication the ACNC commissioned Ernst & Young to research, which focused on the reporting burden for charities from the Commonwealth perspective. Both research projects directly engaged stakeholders to ascertain the extent of current regulatory burden and to inform options for reform. Both reports have been critical in enabling the ACNC to take a lead on addressing</p>

Measure	Evidence	Source	Result	Analysis
				<p>unnecessary reporting and regulation in the charity sector. To read the full report, visit: acnc.gov.au/redtapereduction</p> <p>Implementing any of the options will require ongoing collaboration across different levels of government. We are continuing to work with the states and territories to make further progress and achieve meaningful reduction in the regulatory burden for charities. This work includes:</p> <ul style="list-style-type: none"> • Supporting the introduction of the South Australian Statutes Amendment (Commonwealth Registered Entities) Act 2016, which will eliminate duplicated reporting for ACNC-registered incorporated associations and charitable fundraisers. • Supporting the introduction of the Tasmanian Associations Incorporation Amendment Bill 2016, which will remove duplicative reporting requirements for Tasmanian incorporated associations that are registered with the ACNC. • Supporting the work of an inter-jurisdictional Fundraising Working Group to consider options to reform fundraising regulation in Australia. • Chairing a working of State/Territory Revenue Offices (SROs) and the ACNC to consider opportunities for alignment of charity registration and application processes. • Development of a paper that proposes a common definition of charity across all jurisdictions. <p><i>Regulation Reform Savings</i> The ACNC contributed \$8 million of regulation reform savings during the 2015–16 year. The Commissioner’s decision to accept financial reports lodged with state and territory regulators in place of ACNC reports for the 2015 reporting period was a key saving. Another significant saving for charities came through the publication of template rules and guidelines for unincorporated associations, which assist them to improve their governance and comply with ACNC requirements. Other measures included streamlined reporting for ancillary funds, which can now report once to the ACNC and no longer need to separately report to the ATO. The online Annual Information Statement was also improved, with the addition of auto-calculation making it easier and faster to complete. The ACNC’s guidance and education products also continue to make it easier for charities to understand and comply with their regulatory obligations.</p> <p><i>Simplifying reporting for charities through sector-specific accounting standards</i> The ACNC continues to work with AASB to provide feedback (including that obtained from our sector consultations) and contribute to sector specific accounting standards. ACNC has made two submissions to the Australian Accounting Standards Board (AASB) in relation to AASB Exposure Draft (ED) 270 – Reporting Service Performance Information and ED 260 – Income of Not-for-Profit Entities.</p> <p>The ACNC opposed the introduction of AASB ED 270, which proposed a mandatory framework for service performance reporting by not-for-profit organisations. The ACNC considers there may be value in the AASB issuing a recommended (non-mandatory) framework, but the proposed framework would impose unnecessary burden on not-for-profit organisations.</p> <p>SEE ALSO 6.1, 6.2 AND 6.3.</p>

Measure	Evidence	Source	Result	Analysis
<p>C</p> <p>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.</p>	<p>6.5</p> <p>Stakeholder engagement framework outlines how the ACNC will share feedback from stakeholders with policy departments</p>	<p>Stakeholder engagement framework</p>		<p>Sharing stakeholder feedback with policy departments The ACNC's Stakeholder Engagement Framework, published in January 2016 outlines how the ACNC will engage with stakeholders. The Framework recognises that 'consulting with stakeholders and genuinely listening to what they have to say is essential to developing high-quality policy'. It makes commitments to consult to this end, and details the principles underlying this engagement and the mechanisms that may be used. However, the Framework does not yet adequately outline how the ACNC will share stakeholder feedback with policy departments. In large part, this was due to the previous uncertainty about the ACNC's future, which made provision of policy feedback relatively ad-hoc.</p> <p>Since the Government's March 2016 commitment to retain the ACNC, the ACNC has been working with government agencies to put ongoing feedback mechanisms in place. These include regular meetings with Treasury, the Australian Taxation Office, and the Department of Social Services. The Stakeholder Engagement Framework will be amended in 2016-17 to reflect these forms of engagement.</p> <p>Despite 2015-16 meetings with policy departments being less systematic than they are now, the ACNC nevertheless worked effectively with policy departments to consult on the regulatory framework. For example, with Treasury the ACNC facilitated sector consultation as part of the Post Implementation Review of the Statutory Definition of Charity. According to that Review report, stakeholders felt that the introduction of the statutory definition has been a positive change for the sector.</p>
	<p>6.6</p> <p>Report is published analysing the previous year's cases and forecasting risk areas for future year annually</p>	<p>Published annual compliance report outlining compliance activity and future focus areas</p> <p>Annual compliance activity and future focus areas are now published within the Annual Report.</p>		<p>SEE 3.1, 3.2 AND 4.1.</p>