



Australian Government



Australian
Charities and
Not-for-profits
Commission



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Australian Government



Australian
Charities and
Not-for-profits
Commission

Senator the Hon Mathias Cormann
Acting Assistant Treasurer
Parliament House
CANBERRA ACT 2600

Dear Minister

In accordance with Division 130 of the *Australian Charities and Not-for-profits Commission Act 2012*, I present this report on the operations of the Australian Charities and Not-for-profits Commission covering the financial year 2013–14.

Yours sincerely

A handwritten signature in black ink that reads 'Susan Pascoe'.

Susan Pascoe AM

Commissioner
Australian Charities and Not-for-profits Commission

2 October 2014

2013–14 ACNC snapshot



more than

3.6 million

views of acnc.gov.au



more than

1.5 million

charity portal
page views



60 736

charities on the
Charity Register



303 158

views of the
Charity Register



40 000

Annual Information
Statements
submitted



98%

of charities
submitted their 2013
Annual Information
Statement online



25 000

governing documents
voluntarily submitted
and published



7 000

financial reports
voluntarily submitted
and published



3 100

new charities
registered



17 days

on average to
register a charity



93%

overall satisfaction
with the registration
process



252

written
compliments



639

concerns
about charities



\$68 million

charitable
funds protected



41 433

phone enquiries
answered by the
ACNC advice service



55 seconds

average wait time
to call 13ACNC

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Commissioner's overview

This is the second annual report of the ACNC, and the first report to Parliament that covers a complete year of our operation as the regulator of Australia's charities.

We know from the recently released Australian Bureau of Statistics Satellite Account that in 2012–13 the charity and not-for-profit sector contributed almost \$58 billion (4% of all GDP) to the Australian economy. It is growing at a rate of 6% per year and it employs just over one million Australians. The Account also revealed charities and not-for-profits held \$176 billion of assets and received income of \$107.5 billion. Charities receive billions of dollars of tax concessions from both state and federal governments as well as direct financial support from millions of us every day.

We remain an incredibly generous nation and the spirit of looking after your neighbour and others in your community is very much a part of Australia's DNA. It is only right that when we support a charity that Australians can expect their money and time is spent properly for the charity's stated purposes. We should be able to give our time and donations with confidence knowing that charities are properly run, transparent about their governance and financial management, and are properly regulated.



\$58 billion

**non-profit institutions
contribute to the
Australian economy**

Role and purpose of the ACNC

The ACNC exists to provide this fit for purpose regulation of charities:

- to give the public confidence that when they give their money, or time, it is to a genuine charity that complies with basic governance standards
- to provide free, easy to understand, online information on all registered charities, so the community and funders can make informed decisions about whom to support
- to ensure concerns about a charity or its operation can be heard, properly investigated and action taken, if necessary.

We like to think of all charities as special and altruistically motivated, and indeed most are. However it would be naïve to believe this sector is entirely free of mischief when no other sector in society is entirely law abiding. Our work outlined in this report shows clearly that most charities are run by people who do the right thing. But it also shows that there are a small number who engage in negligent, uncharitable and unlawful conduct, and that regulation is required.

Most charities have nothing to fear from transparency and from effective regulation. It is for this reason that all surveys, reports, studies and Senate inquiries over the last 12 months have shown at least 80% support from charities for the ACNC and its regulatory role. The ACNC respects charities and their work and engages with them authentically and respectfully. We work collaboratively with the sector and have put great effort into listening to their issues and concerns, consulting with them, and supporting them to understand their regulatory obligations and their ability to comply.

When it began in December 2012, the ACNC inherited an unverified list of registered charities and has spent much of the last year checking this information and building an online national Charity Register. The information provided by charities through registration and completion of the Annual Information Statement provides core reliable data and constitutes the building blocks of the Charity Register to ensure it is complete and comprehensive. We have been assiduously investigating those charities which appear to no longer operate with a view to revocation as well as following up with charities who have not filed their Annual Information Statement.

Highlights of 2013–14

Registering charities for the first time

The ACNC's Charity Register is the first of its kind in Australia, although similar registers exist in most developed countries across the world. The digital age has predisposed us to expect immediate access to information on our phones, tablets or laptops. We often won't book a hotel, buy insurance or purchase electrical goods without seeing what comparison websites say. Yet, if you wanted to find out what charities there were in your town or suburb, to find information on individual organisations, or even know how many charities there were in Australia, this was not previously possible.

Now with the Charity Register we have a national database, containing a range of verified information on registered charities. Anyone can look up free of charge, detailed information about each registered charity - including their activities, administration, objectives and the people in the community whom they serve. This valuable information helps donors, funders and the wider community support charities with confidence. We have seen the public adopt the Register as a key information source with more than 303 000 views of the Register over the financial year - equivalent to roughly 830 daily searches of the Register.

In July 2013 we made advanced search functionality available on the Register, allowing the public to search for charities based on specific criteria. We also launched a mobile version of the Register putting the power of knowledge in the hands of every potential donor who has a mobile device by giving them easy access to information on registered charities.

This year was the first in which Australian charities reported to the ACNC, lodging Annual Information Statements for the 2012–13 year. In preparation, we worked with sector bodies to develop a reporting process which was not onerous and only requested information that charities would have readily to hand. It is a testament to these efforts, and to the dedication

of the sector, that 40 000 charities submitted their 2013 Annual Information Statement before the 30 June 2014 deadline. As well as the Annual Information Statements, the Register contains the governing documents of more than 25 000 charities and 7 000 sets of accounts. If the ACNC is to continue (see ACNC Repeal Bill below), the financial details of all charities (other than Basic Religious Charities and withholding arrangements) covering the 2013–14 reporting period will be published.

Most charities submitted their Annual Information Statement online using the ACNC Charity Portal. We launched the self-service Charity Portal in November 2013 to reduce the burden of paperwork on the sector and to allow charities to update their public information quickly and easily online. Charities can log in to the Charity Portal at any time to make basic changes to their information quickly and securely without filling in paper forms or without having to pick up the phone. The Charity Portal has been received well by the sector, receiving more than 1.5 million views throughout the year.

Freeing charities from red tape

For far too long, charities have had to tolerate a fragmented, inconsistent and inadequate regulatory framework. This is extremely complex for people to manoeuvre, is highly duplicative and cannot provide the public with the assurance they require. The ACNC has begun the process to reform this. The South Australian government has consulted on an exposure draft which proposes changes to the law covering incorporated associations and charitable collections to harmonise reporting, and to allow charities to collect donations in South Australia once they have registered with the ACNC. The Australian Capital Territory government has also committed to harmonisation of reporting and charity regulation, and is waiting for further clarification of the ACNC's future before proceeding.

We recognise that these are only steps and there is a long journey ahead, but we know that further progress will be possible if the ACNC continues. Without a national regulator and a Charity Register, the sector will operate in a regulatory regime that the business community would never tolerate, and that six major parliamentary and independent inquiries over the last two decades have shown to be wholly inadequate.

During the reporting period the ACNC has played a catalytic role in driving further opportunities to reduce red tape across government by setting up sub-sector working parties and forums. With uncertainty regarding the ACNC's future, the work of these groups was disbanded. However, other foundational work has been pursued. In December a red tape reduction forum involving government, sector, professional advisers and academics yielded 17 recommendations for red tape reduction grouped into five themes: national approach; risk; outcomes; funding agreements and reporting; and sector capacity. It is hoped that the ground-breaking work of the ACNC in furtherance of its red tape reduction object will not be lost due to policy uncertainty.

Creating a 'report once, use often' framework

Charities often have to provide the same information time and time again to different government agencies. This is because government often works in vertical silos and doesn't share this information, or because they have privacy provisions that make this impossible. It is for this very reason that the Australian Parliament gave the ACNC the objective of reducing unnecessary regulatory duplication. To address this, the ACNC launched the Charity Passport in June 2014 – the key to the ACNC's 'report once, use often' framework. The Charity Passport allows for information collected by

the ACNC to be provided to other government agencies, eliminating the need for charities to repeatedly provide the same information to different bodies. The Charity Passport can be of particular value in reducing duplication associated with government grants and supports the new Commonwealth Grant Rules and Guidelines (effective from 1 July 2014). Under the guidelines, Commonwealth agencies must have regard to information collected and made available by regulators such as the ACNC and should not seek this information from grant recipients. While some departments have been slow or reluctant to take up the Charity Passport because of the uncertainty of the ACNC's future and the Government's proposal to archive the Charity Register, the Attorney General's Department has signed on to use the Charity Passport. The ACNC will continue to promote how the Charity Passport removes unnecessary red tape for charities and government agencies.

Helping standardise Australia's charity accounts

Reducing the regulatory burden on charities remains a priority for the ACNC. From June 2013, the ACNC took carriage of the ongoing maintenance and updating of the National Standard Chart of Accounts (NSCOA), an initiative of the Queensland University of Technology. NSCOA provides a common approach to capturing accounting information for use by not-for-profits and government. The Australian, state and territory governments agreed, through the Council of Australian Governments, to accept NSCOA for all reporting purposes. NSCOA, and the ACNC's stewardship of it, has made a significant contribution to red tape reduction.

Clarifying the legal definition of charity

For the sector, the introduction of the *Charities Act 2013* (Cth) on 1 January 2014 saw the legal meaning of a charity clearly defined and accessible. It recognises charitable purposes such as the protection of human rights and the promotion of reconciliation and tolerance, and that many modern charities advance causes through prevention, advocacy, research and awareness-raising. We updated our registration process to enable charities to accurately record their operation on the Charity Register under the new subtypes introduced within the Charities Act. Over the coming months we will work with charities to ensure that their records in the Charity Register reflect the newly defined charitable purposes which they will be able to select through the Charity Portal.

Regulating the activities of charities

An important means of maintaining and enhancing public trust and confidence in charities is setting the foundations of the regulatory environment: communicating the regulatory and reporting obligations of charities, monitoring compliance, and responding to concerns raised about individual charities. The public want to know that their complaints and concerns will be taken seriously and that the ACNC has the powers to intervene in serious wrongdoing. This annual report illustrates that, overwhelmingly, charities do the right thing, but that there is a small minority involved in serious mischief.

As watchdog for the sector the ACNC has worked with other Australian and state and territory agencies. We share information and co-operate with intelligence and enforcement bodies to ensure that improper activity is identified and eliminated and that the reputation

of the majority who do the right thing is protected. The ACNC, like charity regulators in other countries, has an important role to contribute to Australia's efforts to combat money-laundering and the financing of terrorist activity. The establishment of the ACNC has contributed to Australia's partial compliance with its international obligations under the Financial Action Task Force.

Learning from other charity regulators worldwide

The ACNC had the honour of hosting the 6th International Charity Regulators Forum in Melbourne in April 2014. Delegates attended from seven common law jurisdictions: Australia, Canada, England and Wales, Ireland, New Zealand, Scotland and Singapore. The tax revenue agencies from Australia, the United Kingdom and New Zealand also took part. The two-day forum proved an invaluable opportunity to share common regulatory experiences and challenges, learnings on regulatory best practice, and effective measures to support the charity sector.

The ACNC regulatory model is unique to Australia and to the context in which we operate. When establishing the ACNC we benefited enormously from the experience of many of our international counterparts, in particular New Zealand, Canada, Singapore and England and Wales. We were able to take elements from each of these jurisdictions and learn from them. Now, we have been able to provide support and guidance to Ireland's new charity regulator, which was established in April 2014.

Since the international meeting, the ACNC has initiated and hosted telephone meetings with international counterparts on matters of regulatory practice and shared concerns.

ACNC Repeal Bill

All this progress has been achieved despite the climate of uncertainty surrounding the future prospects of the ACNC. In March, the *Australian Charities and Not-for-profits Commission (Repeal) (No. 1) Bill 2014* (Cth) was introduced in the House of Representatives. A subsequent Senate Economics Legislation Committee inquiry into the Repeal Bill was held with the Government majority report supporting the repeal and dissenting reports from Labor and the Greens parties. A second Bill is proposed which will detail the ACNC's replacement and transition arrangements. Until this Bill is passed and enacted, the ACNC is empowered and required to carry out its functions.

As Commissioner, I am ensuring the ACNC plans for two possible futures – one where the ACNC Repeal Bill is supported by both houses of Parliament and the regulatory functions return to the Australian Taxation Office and Australian Securities Investment Commission, and the other where the Bill is not supported and the ACNC continues as an effective national charity regulator.

Continuing to deal with an uncertain context

The ACNC has lived in a climate of uncertainty since its inception, and this is likely to continue until Parliament votes on the ACNC Repeal Bills. This sustained instability has impacts on staffing, on the sector, and on our capacity to give full effect to the objects in the ACNC Act.

Despite the confusion and frustration this policy uncertainty generates for charities, the ACNC will continue to implement its Act as we are legally required to do. We have given priority to finalising the Charity Register and the information technology platform for the Charity Portal, to achieving what red tape reduction initiatives we can, and to working with charities to continuously improve governance practice in the sector.

The Charity Register is a valuable asset for the community, providing the public with a freely available resource on charities. Over the coming year, the ACNC will continue to prioritise finalising the Charity Register so that all Australians can find information about registered charities with confidence, and certainty about the integrity of the information. The year will also see the next step in providing greater transparency and accountability of charities with the 2014 Annual Information Statements collecting financial and governance information about charities' operations, which will also be accessible via the Charity Register.

The information technology platform for the Charity Portal will be finalised, introducing additional functionality to assist charities in being sustainable. We will continue to work across the sector and with government agencies to achieve regulatory and reporting simplification, such as those that can be delivered through the Charity Passport, and acceptance of financial reports filed with other reporting agencies.

The ACNC will continue to achieve its objectives by providing tailor-made guidance, education and advice services to the sector to support charities in meeting their obligations. An integral part of this in 2014–15 will be holding 'Ask ACNC' sessions around Australia, focussing on areas with low level of submissions of Annual Information Statements, or a high number of charities we have not been able to contact through the ACNC's 'Return to Sender' project.

A tribute to our staff, our board and the sector

I wish to thank the ACNC staff for their continued dedication to the delivery of services and support to the charity sector. It has been a very busy time for staff, with many achievements in our first full financial year. It is a testament to the professionalism of staff that they have managed to deliver continuous and quality service through this uncertain period.

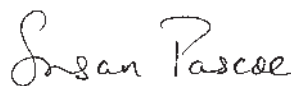
I also wish to thank the ACNC Advisory Board and its Chair, Robert Fitzgerald AM, for their ongoing advice and recommendations. Through its program of meetings with local charities around Australia, the Advisory Board provides an important conduit in communication between the sector and the ACNC. I would like to acknowledge their efforts in undertaking this vital work.

We have worked extensively with various Australian, state and territory government organisations throughout the year in order to reduce the regulatory burden for the sector. Be it through memoranda of understanding, information checking and sharing arrangements, or through the adoption of the Charity Passport, we would like to thank these agencies for their efforts and collaboration, all of which provide immense benefit to the sector.

We also continue to benefit from a constructive and collegial working relationship with the Australian Taxation Office and from the back-office services they provide on a fee-for-service basis through a memorandum of understanding.

I am proud of what the ACNC has achieved in our first full financial year of operation. In this report you will see that we have worked hard to engage and support registered charities, promote red tape reduction and build on public confidence in the sector.

It remains a great privilege for me personally and for ACNC staff to work with this important and diverse sector that is run on passion, hard work and the desire to make the world a better place.



Susan Pascoe AM

ACNC Commissioner

Introduction from the Advisory Board Chair

In what has been a significant developmental year for the ACNC, I speak for the ACNC Advisory Board in congratulating the Commission and its personnel on its further achievements in meeting and promoting the objectives of the ACNC Act.

The 2013–14 year has presented a number of successes for the Commission, namely the very high response rate from the sector in submitting their Annual Information Statements, the population and enhancement of the Charity Register, the launch of the Charity Portal and the implementation of the Charities Act, to highlight a few.

It has been a fulfilling time for the Board. In our second year of operation we have been pleased to continue our program of meetings across Australia, meeting regularly with the ACNC and local charities to discuss topics of interest to the sector. We visited Darwin in July 2013, Adelaide in October 2013, Melbourne in January 2014 and Brisbane in May 2014.

Some key topics of importance to local charities during these meetings included:

- the process for large networks of charities, such as churches, in reporting to the ACNC through bulk lodgement
- the progress of negotiating red tape reduction
- communication and education needs across the sector, especially for remote communities and culturally and linguistically diverse organisations
- proposals for a Centre of Excellence and future charity regulation.



The year saw some uncertainty around the shape of charity and NFP regulation in future years. In response to this, and drawing on our combined experience, Board members considered the elements of good charity regulation. We contributed our thoughts through our paper *Principles of good charity regulation*, available on the ACNC website. The Board felt it was important to contribute to the ever present discourse around what elements best underpin effective and efficient regulation of charities in Australia. The principles set out in our paper can be considered in line with any future regulatory models.

The Board has been in a unique position to receive candid and unsolicited feedback on the operation of the ACNC directly from the sector. Of particular note has been positive feedback on the timeliness of ACNC processes, the helpfulness and approachability of staff and the proactive and responsive method of engagement with the sector and government. As a matter of the highest importance for the sector, charities continued to encourage the ACNC to vigorously pursue red tape reduction initiatives and seek collaboration opportunities with other parts of government.

It is a privilege to be part of a Board with vast experience to assist the Commissioner, in understanding the complex environment in which Australian charities operate and to provide advice to assist the ACNC in meeting the objectives of the ACNC Act. We look forward to continuing to work with the Commissioner, Susan Pascoe, and her talented team in growing the sector, and promoting regulatory simplification while strengthening public confidence and support for charities and not-for-profits. The ACNC continues to demonstrate that good evidenced-based policy is achievable and when implemented well delivers real benefits to the community.

Robert Fitzgerald AM

Chair, ACNC Advisory Board

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Role and functions

The ACNC is the national regulator of charities in Australia. It was established on 3 December 2012 under the *Australian Charities and Not-for-profits Commission Act 2012* (Cth) (ACNC Act), and the *Australian Charities and Not-for-profits Commission (Consequential and Transitional) Act 2012* (Cth).

On 1 January 2014 the *Charities Act 2013* (Cth) came into force, establishing a statutory definition of charity and charitable purpose.

The ACNC Act sets out the objects and functions of the ACNC, as well as the framework for the registration and regulation of charities.

The objects of the ACNC Act (section 15.5(1)) are to:

- a) maintain, protect and enhance public trust and confidence in the Australian not-for-profit sector
- b) support and sustain a robust, vibrant, independent and innovative Australian not-for-profit sector
- c) promote the reduction of unnecessary regulatory obligations on the Australian not-for-profit sector.

The Commissioner is a statutory office holder appointed to administer the ACNC Act, and is supported in this role by the staff of the ACNC. The Commissioner provides an annual report to Parliament. While technically the Commissioner reports to the Assistant Treasurer, the Government has given policy leadership for matters relating to civil society, including the ACNC, to the Minister for Social Services. The Commissioner met once with the then Assistant Treasurer, the Hon Arthur Sinodinos AO, and once with the Minister for Social Services, the Hon Kevin Andrews, during the reporting period.

The ACNC carries out its objects in the following ways:

- registering organisations as charities
- helping charities understand and meet their obligations under the ACNC Act through information, guidance, advice and other support
- maintaining a free searchable public register of information about registered charities
- working with Commonwealth agencies and state and territory governments to reduce unnecessary regulatory obligations, streamline charity reporting requirements and develop a 'report once, use often' reporting framework for charities.

The ACNC's regulatory powers are set out in the ACNC Act. In regulating the charity sector, the ACNC follows a comprehensive regulatory framework which was developed in consultation with key stakeholders including charities, professional bodies, government agencies and the broader community.

Since 1 January 2014 the ACNC has applied the statutory definition of charity set out in the Charities Act.

ACNC vision, mission and values

The ACNC regulates charities for the benefit of the community. Our vision is clearly focussed on ensuring that public trust and respect for charities is maintained and enhanced and charities' contribution to Australian society is valued.

The ACNC places great emphasis on transparency and good governance as a means of increasing this public confidence as well as maintaining the health and sustainability of the sector.

The ACNC's mission and strategic priorities set out its purpose and how it will deliver on the objects of the ACNC Act. The values underpin everything that the ACNC does and they inform the way the ACNC engages with charities and the community.

Vision

Charities that inspire confidence and respect

Values

- Fairness
- Accountability
- Independence
- Integrity
- Respect

Mission

The national independent regulator of charities working to:

- promote confidence in charities
- help charities to understand their obligations
- support the health of the sector
- streamline reporting and reduce red tape

Strategic priorities

- Maintaining and enhancing public trust and confidence in charities
- Supporting charities to be healthy and sustainable
- Making it easier for charities by driving regulatory and reporting simplification
- Developing an independent, transparent and well governed organisation which is enhanced by a positive internal culture

Our organisation

The Commissioner is a statutory officer appointed by the Governor General under the ACNC Act. The ACNC consists of the Commissioner and staff employed to assist the Commissioner.

Executive

The ACNC Executive team comprises the Commissioner, the Assistant Commissioner, Charity Services and Assistant Commissioner, General Counsel.

Susan Pascoe AM, Commissioner

The Commissioner is a statutory office holder. Susan Pascoe AM was appointed as the Commissioner from 6 December 2012 until 30 September 2017.

Ms Pascoe was a Commissioner at the State Services Authority in Victoria (2006–2011) focusing on regulatory reform. She served as one of three Commissioners on the 2009 Victorian Bushfires Royal Commission. Ms Pascoe's earlier professional background was in education where she served as President of the Australian College of Educators, Chief Executive Officer of the Victorian Curriculum and Assessment Authority and Chief Executive of the Catholic Education Commission of Victoria. She chaired the Australian National Commission for UNESCO, and was a Patron for the Melbourne Parliament for the World's Religions. Ms Pascoe has served on a number of boards including the Board of Cabrini Health and the Senate of the Australian Catholic University.

David Locke, Assistant Commissioner, Charity Services

David Locke was Chief Adviser to the ACNC Taskforce before his appointment to the role of Assistant Commissioner, Charity Services at the ACNC. Mr Locke was formerly the Executive Director of Charity Services at the Charity Commission of England and Wales, with



From left to right: David Locke, Assistant Commissioner Charity Services, Susan Pascoe AM, Commissioner, Murray Baird, Assistant Commissioner General Counsel.

responsibility for the strategic leadership and operational delivery of all the Commission's one-to-one services to charities. Mr Locke has worked as an adviser to several international governments on the regulation of non-government organisations.

Murray Baird, Assistant Commissioner, General Counsel

Murray Baird joined the ACNC after a career as a private legal practitioner practising in NFP and charity law and governance. He was previously Senior Partner and leader of the NFP group at Moores Legal, Melbourne. As well as advising, writing and presenting on NFP legal issues, Mr Baird has acted in several leading cases in the field of charity law and served on the boards of public and private companies and charities.

Organisational structure

Reporting to the Assistant Commissioners are nine directorates, some of which operate frontline services dedicated to the objects of the ACNC Act while others provide support services across the organisation. Their roles are set out below.

Policy and Education

- Help charities understand their obligations under the ACNC Act
- Support charities through the provision of guidance and education
- Undertake research and harness knowledge-sharing opportunities to support the sector
- Provide input on not-for-profit policy issues and liaise with other government agencies on broader issues affecting the sector.

Compliance

- Administer the ACNC regulatory approach
- Investigate and resolve complaints and concerns about charities within the ACNC regulatory framework
- Provide insight into new and emerging risks, including identifying trends, issues and advice into the management of these risks.

Legal

- Provide legal advice to the Commissioner and ACNC staff
- Provide training on relevant legal issues to ACNC staff
- Manage the conduct of litigation under the ACNC Act
- Manage the ACNC's obligations under the Freedom of Information Act and the Privacy Act.

Reporting and Red Tape Reduction

- Work with Commonwealth and state and territory agencies and representatives from charities and the NFP sector to reduce

unnecessary regulatory and reporting requirements on charities, and implement deregulation initiatives that support the Government's targets

- Develop and implement the 'report once, use often' reporting framework
- Promote the benefits and the sector's uptake of the ACNC reporting framework
- Finalise and promote the Charity Passport, which will enable the ACNC to share baseline data on registered charities with authorised government agencies.

Registration

- Determine charity registration applications, including determining charitable status, charity type, and substituted accounting period
- Support charities through the registration process
- Manage the ACNC Register
- Forward applications for charity tax concessions to the Australian Taxation Office (ATO), where applicable.

Advice Services

- Provide information and guidance about the ACNC Act as requested
- Process ACNC approved forms
- Receive and resolve enquiries, provide information and help to the Australian public and the charity sector.

Information Technology

- Develop, implement and maintain the IT systems used externally to supply services to the charity sector
- Provide IT infrastructure and support to ACNC staff
- Provide ongoing technical solutions such as delivery of the Charity Passport.

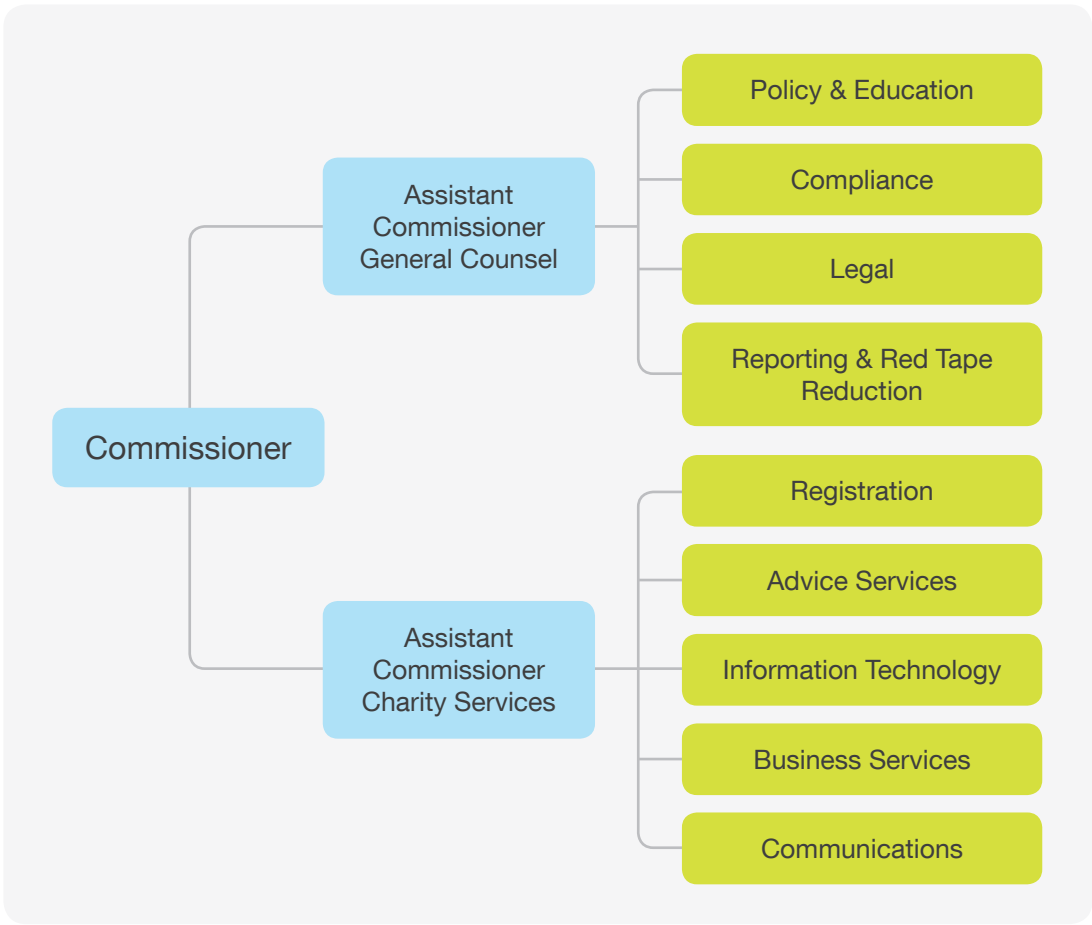
Business Services

- Provide human resources support and services including learning and development
- Provide finance services and advice for the ACNC including budget administration and management of the ACNC's delegations
- Work in collaboration with the ATO to deliver operations and services provided by the ATO
- Advise on ACNC governance including strategic planning, risk management and reporting
- Oversee knowledge management practices within the ACNC.

Communications

- Communicate key information to the sector and maintain public awareness of the ACNC through a range of communication and engagement activities.
- Manage and maintain the ACNC's online presence, branding and public profile
- Provide government liaison advice to the Commissioner and ACNC staff
- Design and support stakeholder engagement for the ACNC.

Figure 2.1: Organisational structure



Advisory Board

The Advisory Board is established by Part 6–1 of the ACNC Act to support and advise the Commissioner. The Board is appointed by the Minister and consists of 12 members. Four members are the holder of offices determined by the Minister and eight general members have expertise in the not-for-profit sector, law, taxation or accounting. The Chair and Deputy Chair are appointed by the Minister from among the members.

General members are appointed for a term of up to three years under section 140-10. Ex-officio members remain on the Advisory Board as long as they hold the specified office.

The Advisory Board meets four times a year and, as part of an on-going program to meet across all Australian states and territories, met in the following locations:

- 19 July 2013, Darwin
- 18 October 2013, Adelaide
- 31 January 2014, Melbourne
- 9 May 2014, Brisbane.

The day before each Board meeting, the Advisory Board usually meets with charities and other stakeholders to hear directly from them on topical issues facing charities in that location. This is also an opportunity for the Advisory Board and Executive of the ACNC to receive feedback on the performance of the ACNC and its priorities.

Details of these meetings are published on the ACNC website.



Members of the Executive and Advisory Board from left to right: Murray Baird (Assistant Commissioner), Gina Anderson, David Locke (Assistant Commissioner), Fiona McLeay (Deputy Chair), Anthony Lang, Susan Pascoe AM (Commissioner), Sheila McHale, Sean Parnell (representing Karen Avery), Robert Fitzgerald AM (Chair), Professor Myles McGregor-Lowndes OAM, Linda Mallett, Paul O'Callaghan, Mark Cocker. Absent: David Crosbie, Karen Avery, Lindy McAdam.

Members

Robert Fitzgerald AM, Chair

Robert Fitzgerald is the Chair of the Board. He has a background in law and public policy and has made a significant personal contribution to the charity and not-for-profit sector including through roles with the Australian Council of Social Service and St Vincent de Paul.

Mr Fitzgerald is currently a Commissioner to the Royal Commission into Institutional Responses to Child Sexual Abuse and on leave from his role as a Commissioner with the Australian Productivity Commission.

During his time at the Productivity Commission, Mr Fitzgerald chaired the Commission's major research study into the contribution of the not-for-profit sector, which produced a comprehensive and influential report in 2010. He was a member of the Inquiry into the Definition of Charitable and Other Organisations in 2001.

Fiona McLeay, Deputy Chair

Fiona McLeay is the Executive Director of Justice Connect in Victoria and New South Wales. She has degrees in psychology, criminology and law. In 2000, Fiona became the Pro Bono Coordinator as part of the Clayton Utz National Pro Bono Scheme.

She became General Counsel at World Vision Australia in 2006 and later worked in their Policy and Programs Group and Engagement Group. Ms McLeay has served on the boards of a range of not-for-profit organisations, including the Human Rights Law Centre and Urban Seed. She is currently a member of the Commonwealth Attorney General's International Pro Bono Advisory Group.

Gina Anderson

Gina Anderson is a Philanthropy Fellow with the Centre for Social Impact. She has a depth of experience as a Board Director in both executive and non-executive director capacities. Ms Anderson has experience in both the private and not-for-profit sectors. She spent five years between 2005 and 2010 as the Executive Director and CEO of Philanthropy Australia. Ms Anderson is also a Director of the George Institute for Global Health and Chair of Women's Community Shelters Ltd.

David Crosbie

David Crosbie is CEO of the Community Council for Australia and a member of the Not-for-profit Sector Reform Council.

He has extensive experience in the not-for-profit sector, including as the Chief Executive Officer of the Mental Health Council of Australia, Odyssey House Victoria and the Alcohol and other Drugs Council of Australia.

Mr Crosbie has a very diverse background having taught in prison, lectured at university, and spent most of his working life advocating for the marginalised.

Anthony Lang

Anthony Lang is a barrister in Melbourne specialising in not-for-profit law. He has practised as a lawyer, principally in the NFP sector, for nearly 25 years.

Since 2008, Mr Lang has been the representative of the Victorian Bar on the Victorian Government's Office for the Community Sector Regulatory Reform Reference Group and for the last 14 years he has served as a Director on the Board of the Victorian Council of Social Service.

Professor Myles McGregor-Lowndes OAM

Professor Myles McGregor-Lowndes OAM is a Professor in the Faculty of Business at the Queensland University of Technology and Director of The Australian Centre of Philanthropy and Nonprofit Studies (CPNS). He has advised and held board positions in a large variety of not-for-profit organisations over a period of 30 years.

Prof McGregor-Lowndes' special research interest is the law and regulation of not-for-profit corporations and he is the author of several books and publications on such issues. He is a founding member of the ATO Charities Consultative Committee.

In June 2003, he was awarded a Medal of the Order of Australia 'for service to the community by providing education and support in legal, financial and administrative matters to non-profit organisations.'

Ex-officio members

Linda Mallett

Linda Mallett has over thirty years of experience in the human services sector in New South Wales in government and non-government agencies.

Ms Mallett is Deputy Chief Executive, Ageing Disability and Home Care, with the Department of Family and Community Services in New South Wales. She is responsible for key reform projects that will expand and improve the range of services in care and accommodation, drive increased investment into early intervention, and provide clients and carers with greater individual choice and culturally sensitive options.

Lindy McAdam

Lindy McAdam is the Director, Community Connect, with the Department for Communities and Social Inclusion in South Australia. This includes the state government Concessions Program, problem gambling support, low income support and non-housing affordable living programs delivered through the community sector. Ms McAdam also has corporate responsibility for Workforce Health and Safety. She was previously Director of the South Australian Government Office for Women. This diverse background gives her wide experience in working with non-government organisations.

Mark Cocker

Mark Cocker is the Director, Consumer Affairs and Fair Trading and the Residential Tenancy Commissioner in the Tasmanian Department of Justice. After having joined the Department of Justice in 1988 Mark has worked in many areas including the Office of the Director of Public Prosecutions and the Tasmanian Magistrates Court. He managed the implementation and transition to the new fines recovery regime – the Monetary Penalties Enforcement Service – and has a strong commitment to leadership development and alternative dispute resolution.

Karen Avery

Karen Avery is the Senior Director, Gambling and Licensing Services, Department of Business, Northern Territory Government. Ms Avery was appointed to the Advisory Board on 19 July 2013.

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Outcome and program structure

The ACNC operates under the *Financial Management and Accountability Act 1997* (FMA Act). The policy intent in the ACNC Act is that the regulator operates independently and efficiently in carrying out its regulatory functions.

The ACNC's regulatory policies, programs and practices are devised and conducted independently. Back office services are provided on a fee-for-service basis by the Australian Taxation Office (ATO) through a memorandum of understanding between the two agencies.

For the purpose of reporting under the framework of the Australian Government's Portfolio Budget Statements, the ACNC constitutes Program 1.5 of the ATO.

The ACNC's program deliverables and key performance indicators are published in the Portfolio Budget Statements and are used to assess and monitor our performance.

Financial operations

As the ACNC is not a separate agency for the purposes of the FMA Act, this report does not include audited financial statements.

For the purposes of the FMA Act, the ACNC legislation established a Special Account to manage the funding allocated to the ACNC for expenses and other obligations incurred in the performance of the Commissioner's functions. The Special Account empowers the ACNC to make financial decisions independently of the ATO and ensures funds are quarantined from the ATO for ACNC operations.

The ACNC and ATO Commissioners have agreed on a delegation arrangement to:

- enable the ACNC to perform its functions and exercise its powers under the ACNC Act
- enable the Commissioner for Taxation to acquit his responsibilities for the proper use of these funds.

Under the arrangement, the ACNC's financial activities are officially reported in the audited financial statements in the ATO's annual report.

The ATO was allocated \$15.161 million in 2013–14 for the Special Account for the operation of the ACNC. These figures include direct costs of the ACNC but exclude corporate support and infrastructure costs for services provided by the ATO.

Deliverables

As set by the Portfolio Budget Statement, the ACNC's program deliverables are to:

- register and determine charitable status determinations
- maintain a public information portal and charity register to provide the community with access to information about the not-for-profit sector
- investigate non-compliance with the ACNC Act and take proportionate action to address failings
- provide guidance, education, advice and support to charities to improve their governance and compliance with the ACNC Act
- implement a 'report once, use often' reporting framework with a focus on reducing red tape.

Table 3.1: Direct expenditure by cost centre, 2013–14

Cost centre	Salary costs \$'000	Supplier costs \$'000	Total \$'000
Executive and ACNC Advisory Board	1 117	256	1 373
Registration	3 061	121	3 182
Business Services	932	582	1 514
Communications	657	463	1 120
Advice Services	1 691	508	2 199
Information Technology	750	488	1 238
Policy and Education	707	83	790
Compliance	905	116	1 021
Legal	656	51	707
Reporting and Red Tape Reduction	616	138	754
*Accounting Adjustment	-113	132	19
Total	10 979	2 938	13 917

* Cost centre used by the Australian Taxation Office to allocate expenses that have been incurred on behalf of the ACNC.

Key performance indicators

As set by the Portfolio Budget Statement, the ACNC's key performance indicators are:

- issue advice, practical guidance and determinations within agreed timeframes
- provide a website and publications that are accessible and a source of relevant and up to date information
- establish 25 working groups by charity type to focus on reducing red tape. (This KPI was put on hold in 2013–14 due to uncertainty about the ACNC's future as a result of the Government's intention to repeal the ACNC Act).

How the ACNC's performance is reported

The ACNC's performance against these deliverables and indicators is reported in the context of how they contribute to achieving the objects of the ACNC Act in the following sections of this report under the headings:

- Service standards, p. 26
- Public trust and confidence in charities, p. 30 (relating to first object)
- Supporting charities to be healthy and sustainable, p. 51 (relating to second object)
- Driving regulatory and reporting simplification, p. 62 (relating to third object).

Service standards

The ACNC is committed to providing high quality services to the public and to the charities it regulates. To this end we developed a set of service standards against which our performance is assessed.

Performance for registration and responding to enquiries fell in comparison to the previous year. This is attributed to higher volumes of incoming work than was originally forecast for the year and difficulties with the speed of IT systems used for processing the work.

Registration applications peaked in December and remained consistently high for the remainder of the year, resulting in a backlog of applications. By June 2014 the backlog had been cleared and processing times for registration began to improve due to efficiencies gained through streamlining procedures.

Requests for advice continued to increase in 2013–14. During the year we handled 41 433 telephone enquiries and received 37 911 items of correspondence. Calls and written enquiries for advice significantly increased in the lead up to the March and June deadlines for Annual Information Statements.

Our ability to respond to enquiries within the service standards for correspondence was also impacted by the high volume response to our mail-outs to charities. Mail-outs were a part of our on-going work to improve the accuracy and reliability of information displayed on the Charity Register.

Performance was also impacted by a reduction in staff numbers (due to a higher attrition rate caused by uncertainty regarding the ACNC's future and employment and efficiency dividend targets across the Australian Public Service).

A review of our service standards was conducted as part of our commitment to monitoring and reporting performance in the areas of importance to our customers. New service standards and targets were established that will replace our existing measures and will be effective from 1 July 2014. We also established a service commitment to complement the service standards that reflect our customers' expectations when they use ACNC services and reinforce our commitment to service excellence.

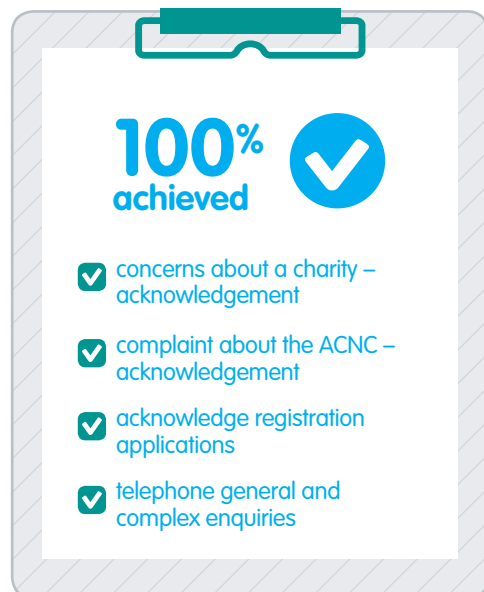


Table 3.2: Service standards performance, 2013–14

	Benchmark	% Achieved
Registrations		
Acknowledge registration applications	1 day	100%
Combined time for ACNC to determine charitable status and Australian Taxation Office to decide on tax concession	93% within 28 days	97%
Enquiries		
Telephone general and complex enquiries	1 day	100%
Correspondence general – email and paper	2 days	78%
Correspondence complex – email and paper	5 days	54%
Change of registered details (forms)	2 days	71%
Concerns and complaints		
Concerns about a charity – acknowledgement	2 days	100%
Concerns about a charity – advice to complainant after investigation completion	5 days	92%
Complaint about the ACNC – acknowledgement	2 days	100%
Complaint about the ACNC – assessment, investigation and resolution	21 days	94%
Compliance		
Substantive response to complainants	14 days	32%
Investigation completion	6 months	61%
*Freedom of Information (FOI) and Privacy Acts		
Acknowledge all requests for access to information	14 days	100%
Response to general information requests (not falling under FOI and Privacy Acts)	30 days (plus statutory extensions)	100%
Response to Freedom of Information Act requests	30 days	100%
Response to Freedom of Information Act requests where third party consultation is required	60 days	100%
* Response to requests/applications under Privacy Act	30 days	N/A

* No FOI or Privacy Act requests were received by the ACNC for the year.

Feedback about the ACNC

The ACNC actively encourages and welcomes feedback about its services. We listen to what is important to our customers and use this to identify areas of improvement and assess the extent to which we are achieving our objectives.

The ACNC's complaints and compliments policy is available on the ACNC website. Feedback can be given by email, fax or by phone (13 ACNC).

We actively invite feedback through our interactions with customers. For example, all applicants have an opportunity to complete a survey once their registration application has been processed. Responses to the survey are analysed, reported and followed up where issues have been raised.

We also seek feedback in our external engagement with our stakeholders. This includes our Sector User Group and Professional User Group, our participation at sector events and the Advisory Board Sector Forums.

The ACNC received 252 written compliments during the financial year.

Key themes for compliments included the:

- prompt, efficient and helpful service
- professional service provided by staff
- thorough, detailed and comprehensive responses to enquiries
- kind, courteous and patient approach of the staff
- quality of information available online and ease of use of online services.

Unsolicited positive feedback about the quality of ACNC services is also commonly given at conferences and information sessions,

reflecting the ACNC's commitment to helping charities understand and meet their regulatory obligations.

The ACNC received 78 complaints about the Commission during the year, mainly about the functionality of the website and Charity Portal.

For example, a number of customers were not able to access the Charity Portal through their Internet Explorer browser. To resolve this, the ACNC provided trouble shooting guidance on the ACNC website and continues to improve the accessibility of the Charity Portal.

Another common complaint was not being able to change the responsible persons' details via the Charity Portal, due to privacy requirements. In response, we are developing a streamlined process that will enable charities to update their own details using an individual password without it compromising privacy legislation.

Quality of service – registration

All organisations that lodge registration applications with the ACNC are invited to respond to an online survey.

Overall satisfaction with the registration process was very high during 2013–14. There was a small decline in the ratings of satisfaction with the timeliness of the registration process towards year end. This can be largely attributed to the increased number of applications received during the December quarter and the knock-on effect that this had.

Among the comments provided by respondents were:

'The ability to speak with people in the ACNC prior to actually making our submission was invaluable. It meant that the turnaround time on our submission was so fast we did not need to be kept informed of progress.'

'The ability to ask for an ACNC opinion prior to registration of a new company with ASIC gave us a degree of confidence in the outcome that we would not have otherwise had. Overall we were extremely pleased with the service we received and the manner in which it was delivered.'

'Staff were very helpful. [Staff member] in particular was great at follow up and keeping me informed of the process. There was some delays between ACNC and ATO steps, and more explanation around how these two work together and expected timing would be useful.'

'The feedback I received throughout the process was constructive, extremely helpful and showed excellent knowledge of the relevant legal requirements relating to the charity registration process. The fact that I was contacted directly by phone for an interview by my case officer was greatly appreciated. This made the process seem more transparent and I clearly understood the requirements for listing as a result. This is much more effective and efficient than a slow exchange of formal letters (as is typical of correspondence with government agencies).'



93%

**overall satisfaction
with the registration
process**

Public trust and confidence in charities

The public's trust and confidence in charities is crucial in sustaining a vibrant charity sector. Charities rely on the public to support their work through donations and volunteering.

It is important for the public to know what charities do, who their beneficiaries are, how they are governed, and how they manage their finances.

The first object of the ACNC Act is to maintain, protect and enhance public trust and confidence in the Australian not-for-profit sector.

The ACNC works to achieve this object through the following processes and strategies:

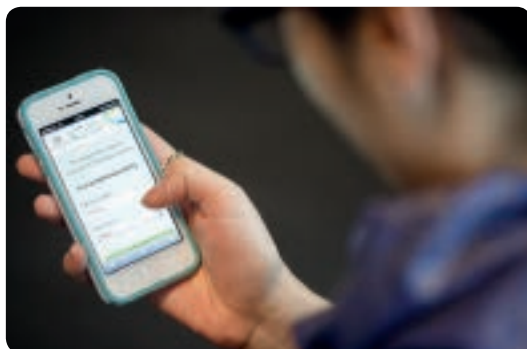
- the freely accessible online Australian Charities and Not-for-profits Register
- a robust and consistent registration process
- a fair and proportionate regulatory approach
- enhanced public awareness of our work and the contributions and benefits of charities to the community.

Australian Charities and Not-for-profits Register

The ACNC's national Charity Register is a major public and charity sector asset providing Australia's first free, comprehensive, online register of more than 60 000 registered charities. It is a major task and a high priority of the ACNC to ensure all charities on the Register are entitled to registration (see Building the Register, next).

While the Australian Taxation Office (ATO) previously determined charities to be tax exempt, they were not required to provide regular returns to the ATO. The Australian government and the public did not have basic, up-to-date, information about charities. Charities had to provide the same information to different government agencies as there was no single repository of core information.

In July 2013, the enhanced Register (including a version for mobile devices) was launched as Australia's first national online database of registered charities. The Register has increased transparency and accountability, while still preserving privacy where sufficient public interest warrants that particular information be withheld from public view.



Building the Register

When the Register was launched in December 2012, it was initially populated with some 56 000 charities that had previously been endorsed by the ATO to receive charity tax concessions. The ATO was neither resourced nor expected to keep a register of charities and therefore the data was out of date.

The ACNC has worked continuously to verify and amend this data, including working to remove the charities that are ineligible or no longer operating. This is critical to building a credible accurate and up-to-date Register that the public can rely on.

Promotion and public awareness of the Register is building, supported by:

- regularly closing the feedback loop by releasing information based on analysis of the data collected, including regular sector snapshots of information on charities registered by the ACNC, and research reports analysing Annual Information Statements (with a report analysing 2013 Annual Information Statements to be released in the first half of the 2014–15 year)
- publishing de-identified information to data.gov.au (the Australian Government's central data repository), enabling researchers to conduct independent analysis to improve the knowledge base about the sector
- using the data to educate. For example, publishing information and multi-media resources on safe giving; community outreach (including radio promotions for culturally and linguistically diverse communities); and a fact sheet on limitations of financial information for understanding a charity's work (with Queensland University of Technology).

Registration with the ACNC is a prerequisite for charities to access taxation benefits and other concessions or benefits from the Australian Government, and demonstrates to the public that a charity has met the requirements of the ACNC Act. Registration sends a clear message that an organisation carries out charitable activities and meets the standards of probity and transparency required under the ACNC Act and Regulation. For many small charities, in particular, this free online presence gives them enhanced visibility and helps them attract public support for their goals and activities.

At 30 June 2014, the Register had grown to 60 736 registered charities, with more than 303 000 online views in 2013–14. This growth has been facilitated by the adoption of a real-time self-service online system for charities to submit their information via the ACNC Charity Portal, which was launched in November 2013.

Scope of the Register

The Register is updated in real time daily as new charities are registered, existing registered charities update their details via the Charity Portal, and charities report through Annual Information Statements.

Initially the Register contained basic details of all registered charities (except for those whose information is withheld), including their legal name, Australian Business Number and state or territory of registration.

Over 2013–14, this information has been expanded to include:

- other names a charity may go by
- its establishment date
- beneficiaries
- charity size
- states or countries of operation
- names of those governing the charity
- governing documents and enforcement outcomes (if relevant).

We issued guidance to explain the information on the Register, as well as to help donors make decisions about charitable giving.

Up until June 2014, information that had not been verified by charities was not visible on the Register. Temporarily withholding details in this way gave charities the opportunity to provide us with up-to-date information and apply for certain details to be withheld from the Register on a continuing basis. Since June 2014, the publishing of the missing information is being phased in, to allow identified high-risk charities time to apply for their information to be withheld. High-risk charities may include charities such as women's crisis accommodation services.

Searching the Register

Use of the Register is increasing, with many people using its advanced search functionality. The public search the Register to help them make decisions about donating or volunteering; charities search it for information about their own sector; and government and funding organisations can use it when making decisions.

Building on the basic search capability available at launch, an advanced search option was added in July 2013, enabling users to search for charities using more specific criteria, including location, type of beneficiary, and registration status including revoked or voluntarily revoked.

A mobile interface for the Register was launched at the same time, enabling users to quickly check on their smartphones and tablets whether a charity is registered and the states and territories in which it operates.

Benefits of the Register

The Register provides greater transparency on the workings of charities for the community. For the first time, the public can get core information

on a charity before giving money or volunteering. From July 2014, information will also be available about a charity's financial status.

Although charities were not required to provide governing documents or financial statements with the 2013 Annual Information Statement, many did so in response to a mail-out, or provided this material as an attachment to their Annual Information Statement. The remaining charities will be required to provide this material with the 2014 Annual Information Statement.

A national Register has considerable practical benefits for charities by enabling them to provide assurance to donors, volunteers, banks and other stakeholders. In particular:

- a charity certificate (backed by a regulator-maintained public Register) enables a charity to prove its credentials more easily than by providing copies of letters from the ATO, as was previously the case
- a national Register will fast-track the introduction of new internet domains such as '.ngo', proposed for October 2014.

Feature

Newly registered charities

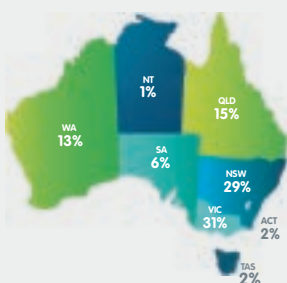
An analysis of the 3 141 charities registered by the ACNC last financial year gives a snapshot of Australia's new charities:

- the top activities are social/community welfare and education.
- children and elderly people are the top beneficiary groups.
- just over a quarter of new charities operate in every state or territory, while 65% operate in just one state or territory.
- 87% of new charities are 'small' charities, with annual revenue under \$250 000.
- 28% receive some income from government grants.

2013–14 charity sector snapshot

Last financial year, the ACNC registered 3,141 new charities. Our analysis of newly registered charities gives an insight into where and how Australia's not-for-profit sector is growing.

Where new charities are based?



Top activities undertaken

- ✓ Social/community welfare
- ✓ Education
- ✓ Health programs
- ✓ Religious activities
- ✓ Aged care activities

Sources of income

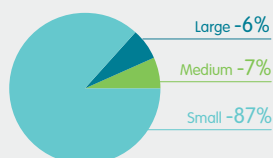
Charities receive income from multiple sources



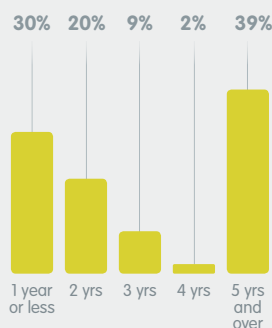
Top Beneficiaries

- 1 General community in Australia
- 2 Children
- 3 Elderly people
- 4 Young people
- 5 Women
- 6 Veterans or their families

Size by ACNC tier



How long have the new charities been operating?



overseas Operate	nation-wide Operate
406	789

The Register also provides transparency in charitable status and tax concession entitlements. Previously, secrecy constraints on the ATO meant that its records on the purpose and activities of tax exempt charities were not publicly available, meaning any inconsistencies in charitable status and entitlement to tax concessions between 'like entities' was not visible.

For example, in *Bicycle Victoria v. Commissioner of Taxation*¹ a question arose as to the relevance of the endorsement of an organisation with similar purposes and activities to the applicant organisation. The Commissioner of Taxation argued that disclosure concerning another taxpayer would be in breach of the confidentiality provisions of Division 355 of Schedule 1 to the Taxation Administration Act 1953.

The Register provides policy makers and government agencies with an evidence base for improving regulation of the sector, as well as ensuring they are better informed when funding and working with the sector on the delivery of services. The Register also provides government agencies with a central repository of core information, saving charities the burden of reporting to multiple agencies.

The Register is a valuable source of data about the charity sector in general. As well as using this data to inform its work, the ACNC publishes the results of its analysis in the form of snapshots and reports and has begun sharing data publicly via data.gov.au. This type of information will become increasingly valuable over time as a more complete picture of the sector is built.

'In the absence of a single regulator, governments lack data and knowledge of Australia's not-for-profit organisations and are therefore unable to develop appropriate policies to better regulate them and encourage their formation.' Professor M. Lyons, University of Technology Sydney.²

Charity Portal



Almost all charities with a reporting obligation submitted their Annual Information Statement via the Charity Portal, which was launched in November 2013.

Designed to streamline charities' reporting obligations, the Charity Portal enables charities to submit their statements and update their details online, as well as print a copy of their certificate of registration, which establishes their credentials.


Registered organisations can log in to the Charity Portal at any time and quickly and securely complete the following tasks without filling in paper forms:

- submit their Annual Information Statement, and view their responses to any previous statements they have lodged

¹ *Bicycle Victoria Inc. and Commissioner of Taxation* [2011] AATA 444 (24 June 2011)

² Lyons M., Submission to Inquiry into The Disclosure Regimes for Charities and Other Not-For-Profit Organisations by the Senate Standing Committee On Economics, August 2008, pp. 7-8.

- change details for their charity, including their legal or trading name, their governing documents, their address for service as well as any other address details such as street or postal address, their contact details including their phone number and website, and the states in which they operate
- change their responsible persons, including adding or removing responsible persons
- view their entry on the Charity Register
- apply to withhold information from being published on the Register
- print a copy of their charity certificate of registration
- manage and change their password to log into the Charity Portal
- view a series of alerts which notify the charity of any outstanding reporting or notification obligations they need to complete.

more than
 **1.5 million**
 Charity Portal
 page views

Integrity of information on the Register

As the custodian of the national database of registered charities, the ACNC has a responsibility to ensure it is accurate and comprehensive. The integrity of the information on the Register is critical to maintaining public trust and confidence in charities. Ensuring the integrity of the Register is a high priority for the ACNC – it is time-consuming and resource-intensive work.

The ACNC has taken a number of steps to help charities ensure their details on the Register are accurate including:

- writing to all charities whose information had been transferred from the ATO, asking them to confirm their details and provide the ACNC with a copy of their governing documents
- asking charities to verify, or modify, their details when they completed their 2013 Annual Information Statement
- publishing and publicising a list of charities whose mail from the ACNC had been returned unopened to try to identify if they were still operating and their correct contact details. After attempting to directly contact charities multiple times, and doing public outreach, the Commissioner will remove those charities believed to be inactive
- Once inactive charities are removed, Australia will have an accurate, comprehensive and up-to-date database on its charitable sector.

The ACNC receives requests from registered charities to update or amend their information held on the Register. The most common requests received during the year were:

- new charity subtype: 338 subtype requests were received from charities wanting to update or revise the definition of their charitable purpose. Of the requests received during the year, 83% were processed and actioned by 30 June 2014.
- voluntary revocation of charity status: 1 997 requests to voluntarily deregister a charity were received with 68% requests reviewed and actioned by 30 June 2014
- substituted accounting period: 3 328 substituted accounting period requests were received. Of these, 99% were processed by 30 June 2014.

Charity Passport – secure access for government agencies

The Charity Passport was launched in June 2014 and streamlines reporting by registered charities to government. It is the foundation of the ‘report once, use often’ framework.

The Charity Passport enables the ACNC to share the information we collect from registered charities with authorised government agencies, packaging it into an electronic format for sharing with government. Government agencies needing information from charities in relation to Commonwealth grants should use the Charity Passport rather than asking the charity to provide the same information again, in line with the Commonwealth Grants Rules and Guidelines.

See page 66 for more information on the Charity Passport.

Withholding information from the Register

Under the ACNC Act, charities can apply to have information withheld from the Register on the following grounds:

- it is commercially sensitive and has the potential to cause detriment to the registered entity or former registered entity to which it relates, or to an individual
- it is inaccurate, is likely to cause confusion or is likely to mislead the public
- it is likely to offend a reasonable individual
- it could endanger public safety
- it relates to a warning issued to the registered entity by the Commonwealth in certain circumstances.

Even if a charity’s information fits in one of the criteria for withholding, the ACNC may still publish the information if it considers that the public interest in having the information on the Register outweighs the other factors.

In these circumstances we will not put the information on the Register before advising the organisation of their options, which could include withdrawing or revising the application or seeking review of our decision.

The ACNC Regulation 2013 also specifically allows private ancillary funds to ask the ACNC to withhold or remove some information from the Register if the information is likely to identify individual donors or because its inclusion on the Register would create an unreasonable administrative burden on the organisation.

To allow private ancillary funds sufficient time to be aware of the Register and to determine if they wish to apply to have information withheld, the ACNC withheld all information relating to private ancillary funds until 30 June 2014. After this date, we will publish the information on all funds that have not applied to have their information withheld.

All applications approved to withhold information from the Register were on the basis of endangering public safety or protecting the privacy of individuals.

Registration

In seeking information from organisations applying for registration, the ACNC aims to collect only what is necessary to decide whether the applicant meets the requirements to be a charity, along with any information required by the ATO to determine taxation concessions.

The ACNC works closely with the applicant to resolve issues identified during the registration process, so as to either facilitate a successful outcome or provide enough information so the organisation will know what is required if they choose to re-apply at a later stage. Where further information is needed, we request this as early as possible, preferably by phone or via email.

We contact all successful applicants by phone to advise that their organisation has been registered. They are then sent a registration certificate and charity pack with further information.

If the applicant has indicated on their registration application that they are seeking tax concessions, the ACNC forwards the information to the ATO for it to consider.

If it becomes apparent during the decision-making process that the ACNC may be likely to refuse the application on the information provided, we always contact the applicant to discuss the reasons, preferably by phone, followed up in writing. This gives the applicant the opportunity to provide further information in support of their application before we make a final decision. If this decision is to refuse the application, and the applicant doesn't agree, they can lodge an internal objection which is considered by a separate decision maker.

All of the ACNC's decisions are technically reviewed to ensure accuracy and consistency of decision making. Decision making takes account of Commissioner's Interpretation Statements (which set out the Commissioner's approach to interpreting the law), the common law and legislation on the meaning of charity and charitable purposes. The Commissioner's Interpretation Statements are published on the ACNC website.

Charity definition

On 1 January 2014 the *Charities Act 2013* came into effect, introducing a statutory definition of 'charity' and 'charitable purposes'. The aim was to provide greater clarity and certainty than applied under the common law definition, which had been developed over 400 years and was open to interpretation.

The introduction of the Charities Act provided further impetus for enhancing the online registration form, allowing charities to register their sub-type in a more accurate, user friendly and streamlined way.

Trends in registration applications

At the beginning of 2013–14 there were 512 registration applications that were still being assessed by the ACNC. During the year the ACNC received 3 841 applications, with the number of applications each month increasing compared with the previous year. Applications peaked in November and December, due to a significant number of bulk applications being received and as a consequence of work the ATO was undertaking in relation to deductible gift recipients that were required to register with the ACNC.

Of the applications received in the reporting year, 3 769 were finalised, including 3 141 charities that were newly registered, 217 applications that were disallowed and 411 that were withdrawn. At the end of the reporting year, 584 applications were being assessed.

The average number of days to register a charity was 17 days.



During the year the ACNC developed a process for bulk application requests. The bulk registration process was introduced to provide a solution to the onerous task of registering multiple group members for the many non-profit groups who have a parent or governing body. For example, the ACNC worked with the Returned and Services League in Victoria and Western Australia to develop an efficient bulk registration form and procedure. This has been used to register 466 charities in 2013–14.

Withdrawals

Due to the consultative nature of the registration process, it becomes apparent early on whether an application is likely to meet the statutory definition of a charity. Some applicants whose registration application is unlikely to succeed choose to withdraw their application after discussion with ACNC staff. Examples of these cases include:

- organisations that are not-for-profit but are not charitable (such as a sporting association)
- organisations that apply too early in their life cycle, before they establish their objects and activities
- organisations with purposes that are not considered to be charitable.

For many of these organisations, withdrawal may not be the end of the road, as they may end up reapplying after modifying their objects, activities or processes.

Refusals

Before refusing a registration application the ACNC always endeavours to contact the applicant to check they have provided all the relevant information and to discuss the reasons for refusing the application. Despite our best efforts some organisations choose not to respond.

Of the 217 refusals in 2013–14, 194 were refused after the applicant failed to respond to the ACNC's request for further information. Only 23 refusals were due to the ACNC determining that the organisation was not charitable.

Aside from where the information is inadequate, applications are typically refused due to lack of:

- a sole charitable purpose – an organisation may have charitable purposes but also have independent non-charitable purposes
- insufficient public benefit – some organisations are closed groups seeking mainly to help their members or other private groups and hence lack the element of public benefit required of charities
- a non-charitable purpose – the purposes of the organisation may not be recognised as charitable.

An applicant is generally given 14 days to respond to an information request, although this may be extended to suit their timeline, such as a scheduled board meeting. If the applicant does not respond, they are sent a reminder and given a further 14 days to respond. If a response is still not forthcoming, a third letter is sent advising the applicant that their application will be closed if they do not respond within seven days.

In some cases, the ACNC registers an organisation as a charity, but refuses registration as a particular sub-type of charity. For example:

- an organisation may be registered as a charity as it advances social or public welfare, but refused registration as a public benevolent institution as its purposes are not sufficiently targeted at an appreciably needy class of person
- an organisation may be registered as advancing health but refused health promotion charity status as its activity is not focused on the prevention or control of disease as is required for registration under this sub-type.

In these cases the organisation receives a detailed report setting out the basis for the ACNC's decision, and they can lodge an objection if they disagree.

Compliance

Monitoring and improving the governance of charities goes to the heart of enhancing public trust and confidence in the sector. Having a legislative remit that extends to governance means the ACNC can receive concerns about the sector that were previously unaddressed. The source of most concerns is the public, and these numbers are increasing as more people become aware of the ACNC's regulatory role.

The ACNC has encountered a wide range of eligibility and governance issues, including:

- inappropriate use of charitable funds – for example, use of funds to provide inappropriate private benefits to those involved with running the charities
- lack of accountability to members – for example, failure to follow rules in governing documents
- those involved running charities failing to meet their duties – for example, where there is no disclosure of conflicts of interest or where accurate records are not maintained.

Regulatory approach

The ACNC works with charities to protect charitable assets and take steps to improve their governance frameworks.

The ACNC's regulatory approach begins with the assumption that charities act honestly. Where concerns arise, the ACNC generally asks the charity to address them before taking any action, and uses the least intrusive action that is needed to resolve the matter. This approach is supported by the ACNC's graduated enforcement powers which allow flexibility in response before de-registration or the imposition of fines. However, the ACNC will act quickly and firmly where there is evidence of serious mismanagement or misappropriation, a serious or deliberate breach of the ACNC Act, or if vulnerable people or significant charitable assets are at risk.



Figure 3.1: Regulatory pyramid of support and compliance



When systemic issues are identified, the ACNC responds by developing guidance to support better practice. For example, during 2013–14 we developed a brochure *Basic religious charities* to help organisations better determine their charity type. This complements other publications including *Protect your charity from fraud: the ACNC's guide to fraud prevention*, which gives practical tips on how to manage and address fraud, and *Governance for good* which provides advice for boards and directors.

During the year the booklet *My charity and the ACNC: regulation and compliance* was developed, along with a simple self-assessment checklist *Take the ACNC compliance test: is your charity complying?* These documents outline the role of the ACNC's compliance function and enable charities to self-assess their own compliance with the ACNC Act using five basic questions:

1. Is your charity working towards its charitable purpose?
2. Is your charity using its profits and assets only for its charitable purposes?
3. Is your charity meeting its reporting obligations?
4. Is your charity meeting its record-keeping obligations?
5. Is your charity meeting all five governance standards, showing it has met minimum requirements for governance?

Compliance case examples:

01

Case one

The ACNC received information that a senior staff member of a charity was using the charity's credit card for private purchases. Initially, the charity's board had difficulty accepting that this had occurred. After working closely with the ACNC, the board was able to identify the extent of the theft and the governance failure that had allowed it to occur unnoticed for several years.

On the ACNC's recommendation, the board stood the employee down, reported the matter to the police, advised the charity's stakeholders of the situation and, with the benefit of independent external advice, introduced new internal controls to lower the risk of fraud in the future, and lift transparency and accountability of the charity. The charity is now 'back on track' delivering services to its beneficiaries.

02

Case two

Allegations of large-scale theft were made against a school principal who was on the board of a charity closely associated with the school. The ACNC took action to assess the ongoing risks to the charity. After contact from the ACNC, the charity stood down the principal as a director. Shortly after this, the principal tried to withdraw a large sum from the charity's bank account but was unable to do so. This attempt was reported to police. With the assistance of the ACNC, the charity introduced financial management policies and procedures to improve its financial governance and to reduce or eliminate the risk of fraud.

If these cases were handled solely by the police, their involvement would have been limited to a criminal justice perspective, without a broader perspective of supporting the charity to inform its stakeholders and improve its governance so it can continue to provide services. The Australian Taxation Office would be limited to dealing with this case from a tax law perspective, rather than addressing governance issues that threaten public trust and confidence more generally.

Governance standards

From 1 July 2013 all registered charities, apart from basic religious charities, were required to meet five governance standards to maintain registration. The governance standards require registered charities to:

1. be not-for-profit in nature and work towards their charitable purposes
2. be accountable to members by providing members the opportunity to raise concerns about how the charity is governed
3. comply with Australian laws
4. take reasonable steps to ensure their responsible persons are suitable and are not disqualified
5. take reasonable steps to ensure their responsible persons are subject to and comply with certain duties.

The ACNC Regulation lists seven specific duties of responsible persons. They must:

1. act with reasonable care and diligence
2. act in the best interest of the charity and for a proper purpose
3. not misuse their position
4. not misuse information obtained in the performance of their duties
5. disclose perceived or actual material conflicts of interest
6. manage financial affairs responsibly
7. not allow the charity to operate while insolvent.

To support charities in complying with these governance standards, the ACNC developed detailed guidance on how to comply, with practical case study examples and template tools. We also categorised our compliance enquiries, using the governance standards, to highlight common governance issues.

Compliance procedures

The ACNC published nine compliance operational procedures in 2013–14, providing transparency in relation to:

- a) information gathering powers
- b) monitoring powers
- c) evaluation and risk assessment
- d) compliance reviews
- e) investigations
- f) complaints about registered charities
- g) referrals and information exchange
- h) compliance and enforcement decision making
- i) governance and quality review.

Working with other regulators

The ACNC worked closely with other Australian Government agencies and regulators to share information and help charities and non-profits navigate a sometimes complex regulatory environment, and cooperate on regulatory issues.

Reflecting the increasing international reach of charities, the ACNC has also built relationships with overseas counterparts including agencies in New Zealand, England and Wales, Ireland, Scotland, Singapore and Canada.

Delegates from these countries attended the seventh International Charity Regulators meeting in Melbourne on 8–9 April 2014, hosted by the ACNC. The forum proved an opportunity to share common regulatory experiences and best practice. It highlighted the importance of effective ‘fit for purpose’ charity regulation – regulation that enhances public trust and confidence, which in turn supports the work of charities and the benefits they provide to civil society. In June 2014 the ACNC convened a follow-up teleconference with the group to discuss common compliance issues. Inappropriate use of charitable funds and general governance matters were two of the

most common areas of focus for international charity regulators and tax authorities.

Where’s the mischief?

Top compliance issues in 2013–14



The ACNC is loath to provide information in the public domain that would damage the reputation of a charity which had improved its practice and addressed a compliance concern. There are secrecy and privacy provisions in the ACNC Act which prevent information on compliance cases being provided even to the complainant. This can impact on the capacity of the regulator to use resolved cases for educative or deterrent purposes, and can lead to the impression that there is no wrong-doing in the sector.

The good news is that most charities act with integrity and professionalism and there is very little negligent or criminal behaviour. However the ACNC has dealt with some very serious cases where vulnerable people have been at risk, and where charitable assets were being used fraudulently or for private or commercial purposes.

Early in 2014 the ACNC examined its 15 most significant investigation cases and published common compliance themes. The charities under investigation controlled assets valued in excess of \$68 million, and every case involved governance issues.

Below are four breaches of the ACNC Act that stood out in 2013–14:

1. Inappropriate use of charitable funds:

The most common problem was where charities used funds inappropriately, in ways that did not comply with the charity's not-for-profit purposes. For example, we found charitable funds that were used to purchase private assets for responsible persons

2. Lack of accountability to members:

In a number of cases there was a lack of accountability to members. Charities failed to convene meetings as required in the constitution or they failed to follow the appropriate process to amend constitutions

3. Responsible persons fail in their duties:

We encountered several situations where responsible persons failed to declare conflicts of interest, did not maintain accurate records or allowed the entity to operate while insolvent

4. Involvement with criminal activity:

During the year we found cases where employee theft had occurred due to charity governance failures.

Safeguarding charities against terrorism financing

Australia is a founding member of the global Financial Action Taskforce (FATF), which develops and promotes international anti-money laundering and counter terrorism financing standards. The creation of the ACNC, and specifically the Register and compliance function, contributes to Australia's compliance with FATF Recommendation 8, which requires FATF members to ensure that non-profit organisations cannot be misused to generate, be conduits for, or conceal resources intended to finance terrorist activity.

The ACNC did not initiate any terrorism-related cases in 2013–14; however, we have worked with relevant agencies where it has been appropriate. The ACNC has also provided guidance to charities on how to minimise the risk of being misused for terrorism financing. Our website contains links

to a range of resources including *Living safely together: building community resilience to violent extremism*. This resource is maintained by the Attorney-General's Department and provides guidance to non-profit organisations about how to safeguard against terrorism financing.

Concerns about charities

The ACNC looks into serious concerns raised about a charity's compliance with the ACNC Act. In 2013–14, the ACNC received 639 concerns about charities. Sources of concerns included:

- the public (such as current and former donors, employees, members, volunteers and beneficiaries)
- other government agency referrals (such as Commonwealth, state and territory regulatory and funding bodies, and federal and state police)
- concerns raised by media reports
- ACNC internal referrals.

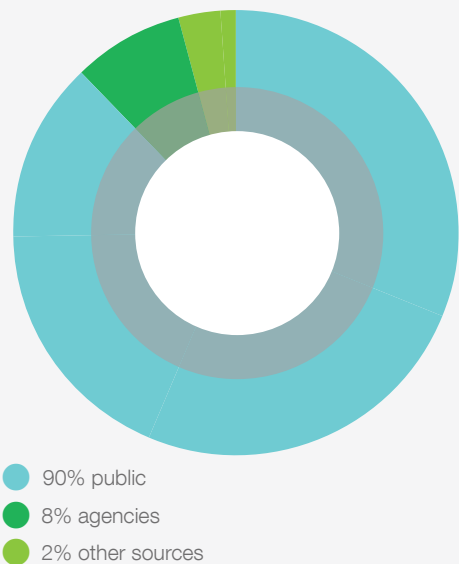
Of the 639 concerns received:

- 392 were resolved by our Advice Services directorate at the time the concern arose – for example, we may have explained the concern is not within the ACNC's jurisdiction and referred the caller to the appropriate regulator, or provided the caller with resources or guidance to help them resolve the concern
- 247 were assessed in detail by our Compliance directorate, of which 42 progressed to a compliance case (either a compliance review or an investigation).

Even when concerns raised by the public did not progress to a compliance case, the ACNC valued the information that was provided. This intelligence helps us identify broader issues and is taken into account if future concerns are raised about the charity in question.

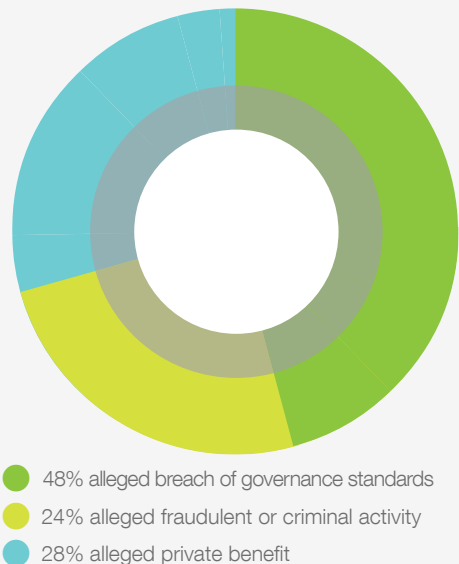
The ACNC finalised 51 compliance cases in 2013–14.

Figure 3.2: Source of concerns about charities, 2013–14



Most concerns about charities fell into three main risk types: governance, fraudulent or criminal activity, and private benefit.

Figure 3.3: Concerns by risk category, 2013–14



Referrals to and from other regulators

The ACNC works with other regulators, both referring matters outside its jurisdiction to the relevant authority as well as receiving information from other agencies about the alleged conduct of organisations. In 2013–14 the ACNC received 48 concerns from other government agencies.

The ACNC referred concerns to other regulators when it believed they were better placed to act or where a referral might assist them to exercise their functions or powers.

Table 3.3: Concerns referred to regulators, 2013–14

Agency	Number of concerns
Australian Taxation Office	13
Office of the Registrar of Indigenous Charities	2
New South Wales Attorney General	1
Australian Securities Investment Commission	1
Department of the Environment	1
Department of Education, Western Australia	1
Disabilities Services Complaints Office, Western Australia	1
Health Care Complaints Commission, New South Wales	1
Total	21

Compliance cases

If the ACNC does intervene, we conduct either a compliance review (to review a charity’s general level of compliance with the ACNC Act and address any risks identified) or an investigation (for higher risk or more complex cases).

Table 3.4 shows the types and numbers of concerns that were substantiated and addressed by the ACNC in 2013–14. The main categories of concerns are entitlement to registration, record keeping, reporting and governance standard requirements.

Table 3.4: Substantiated concerns addressed in closed cases, 2013–14

Nature of concern	Number of cases where the ACNC made enquiries and the concern was substantiated and addressed
The charity is not entitled to be registered as a charity or as a specific subtype	5
The charity has not complied with its record keeping requirements	11
The charity has not complied with its reporting requirements	7
Governance standard 1: The charity has not complied with its character as a not-for-profit entity and funds have been misappropriated or diverted for non-charitable purposes (private benefit)	9
Governance standard 2: The charity has not been accountable and transparent to its members	10
Governance standard 3: The charity has been involved with fraudulent or criminal activities	3
Governance standard 4: The charity has not taken reasonable steps to ensure that its responsible persons are suitable and not disqualified	1
Governance standard 5: The charity has not taken reasonable steps to ensure its responsible persons have complied with the following duties:	
a. Exercise powers and discharge duties with the degree of care and diligence that a reasonable person would exercise	7
b. Act in good faith in the charity's best interests and to further the purpose of the charity	7
c. Not misuse their position	4
d. Not misuse information obtained in the performance of their duties	1
e. Disclose perceived or actual material conflicts of interest	8
f. Ensure the charity's financial affairs are managed in a responsible manner	9
g. Not allow the charity to operate while insolvent.	1

Compliance outcomes

Our compliance work has resulted in a range of outcomes. In every case we searched for an outcome that is proportional to the circumstances.

During 2013–14 we:

- formally revoked registration of one charity under section 35-10 of the ACNC Act
- exercised enforcement powers by issuing one warning under section 80-5 of the ACNC Act and one direction under section 85-5 of the ACNC Act
- served five notices under section 70-5 of the ACNC Act to obtain information and documents from registered charities
- served 19 notices under section 70-5 of the ACNC Act to obtain information and documents from third parties including banks and regulatory agencies
- withheld charity records from the public register on the basis that their information is inaccurate
- shared information that will be relevant for other agencies
- worked with charities to engage professional advisors to review and resolve their compliance issues
- worked with charities to identify the extent of employee theft, resolve the failures of governance that allowed it to occur, referred the matters to the police and advised stakeholders.

The ACNC also assisted charities to comply with their obligations. Below are some of the outcomes:

- charities developed legal agreements to guarantee long-term protection of their assets
- charities complied with their reporting obligations
- charities improved record keeping

- charities developed procedures to manage conflicts of interest
- charities improved governing documents and governance policies
- ACNC provided advice to charities whose responsible persons were about to become disqualified
- ACNC closed cases with no further action, on the basis that our enquiries found no evidence of mismanagement or misappropriation that would breach the ACNC Act or the governance standards under the ACNC Act.

The ACNC did not impose any administrative penalties and did not make any referrals to the Commonwealth Director of Public Prosecutions during 2013–14.

ACNC compliance impact

During 2013–14 the ACNC's compliance resources were directed at the most serious cases of charity mismanagement and misappropriation. We reviewed small, medium and large charities across the country, with assets totalling in excess of \$100 million. In many instances we consulted other agencies who concluded the ACNC was the best agency to take the lead in investigation enquiries. We have traced funds sent overseas, found charities who have acted inappropriately and worked towards revoking their registration so that tax exemptions and donation gift deductibility are withdrawn. In other instances we have worked with charities to maintain their registration and put steps in place so that charitable funds are protected.

By successfully conducting this type of compliance work, the ACNC aims to have the following impacts on the charitable sector:

- increased levels of compliance of registered charities
- increased levels of trust and confidence in registered charities by volunteers, funding providers and the Australian public

- stronger protection of charitable funds and vulnerable beneficiaries through improved governance practices by registered charities
- our regulatory and enforcement actions support charitable activity across Australia.

Public awareness of the ACNC

The ACNC regulates the full diversity of the charitable sector, from small and remote volunteer-based charities, to large well-resourced organisations. As well as building awareness via communications more generally, the ACNC focused during the year on assessing how it engages with the public about charities, and developing strategies to increase awareness among its diverse audiences.

Awareness-raising activities undertaken during the year included distributing radio segments and factsheets in a range of languages, as well as producing engaging and easy-to-understand education videos. Radio segments and media releases were also developed for airing by Vision Australia Radio and the Radio Print Handicapped Radio Reading Network. These activities focused on donating safely, and were designed to reach people with disabilities but also have a broader reach.

We are creating materials in different formats and using different media because we recognise that language, accessibility and internet access availability all require us to use a range of strategies to reach people in the community who may be involved with or wish to work with charities.

The ACNC in the media

The ACNC worked closely with the not-for-profit sector media to communicate targeted messages to registered charities on their obligations, notably in encouraging charities to submit their 2013 Annual Information Statement.

Targeted state and regional messaging and media was incorporated in the mix, resulting in much greater cut-through in these areas. For example, the milestone of registering 1 000 new charities since the ACNC began operating was highlighted with tailored media releases for each state and territory as well as general Australia-wide releases for national not-for-profit sector media. The increasing use of the Register may be attributable at least in part to this ongoing media activity.

We held a major media event in July 2013 for the launch of the Register's advanced search functionality and its mobile interface, and the release of the 2013 Annual Information Statement. This news was reported on approximately 541 radio stations nationally and in 143 online or print news outlet articles.

In 2013–14, the ACNC released over 69 proactive media stories or statements. Proactive media messages focused on the value and benefit of the Register and the role of a national charity regulator in creating public trust and confidence in the sector through its reporting and compliance activities. The ACNC also responded to over 134 media enquiries, which focused on specific charities and compliance cases as well as compliance in general, the uncertainty about the ACNC's future, and the role and value of the Register.

Feature

Commissioner's Interpretation Statement on Indigenous charities



Commissioner's Interpretation Statements (CIS) help to guide charities, the public and ACNC staff on how we understand the law. They are binding on ACNC staff in decision-making processes.

The ACNC developed and published a Commissioner's Interpretation Statement on Indigenous charities to provide clarity and certainty for Indigenous organisations seeking registration as charities, as the common law had developed in an older English context, where the unique circumstances of Indigenous people were not contemplated.

The purpose of the Interpretation Statement on Indigenous charities was specifically to provide guidance on the application of particular aspects of charity law as they apply to Indigenous charities, including:

- recognition of Indigenous disadvantage
- applying the public benefit test
- the effect of the new Charities Act (which commenced on 1 January 2014) on these two issues.

The ACNC's legal team also prepared a paper, annexed to the CIS, to explain the background and reasoning behind the statement.

In developing the CIS the ACNC had the privilege of working with a number of Indigenous organisations to ensure that the framing and wording of the CIS was correct, relevant and helpful. Professional advisors and academics working in this area were also consulted.

According to, Matthew Storey, CEO of Native Title Service Victoria '...releasing this Statement is a good initiative of the ACNC. It will help resolve uncertainty about registering Indigenous charities. I think it will assist in advancing economic development for Indigenous people too.'

Feature

Commissioner's Interpretation Statement on Hunger Project

The Hunger Project Australia (HPA) is a not-for-profit company limited by guarantee and part of a global network of entities that operate under the name 'The Hunger Project'. The principal objective of The Hunger Project is the relief of global hunger. The activities of HPA are principally raising funds which are then given to Hunger Project partners in the developing world who in turn perform charitable acts to relieve hunger.



HPA sought public benevolent institution (PBI) status from the Australian Taxation Office under s.57A (1) of the *Fringe Benefits Tax Assessment Act 1986* (Cth). This was refused by the Commissioner of Taxation on the grounds that an entity that merely engaged in fundraising activities and did not materially perform charitable works directly for the benefit of the public was not a public benevolent institution.

HPA appealed the decision to the Federal Court. In June 2013 the judge at first instance, Perram J, rejected the Commissioner's contention and found that HPA was a public benevolent institution even though it was predominately engaged in fundraising.

The ACNC issued a Commissioner's Interpretation Statement immediately following this judgement to guide ACNC staff and the public on the meaning of 'public benevolent institution' as set out by Perram J. In particular, the Statement dealt with the fact that there was no 'directness' test required for public benevolent institutions.

The matter went on appeal to the Full Federal Court, and in a decision handed down on 13 June 2014, Perram J's decision was upheld.³

In July 2014 the ACNC issued a revised Commissioner's Interpretation Statement incorporating the Full Federal Court's decision.

There is no further appeal pending.

³ Commissioner of Taxation v Hunger Project Australia [2014]FCAFC 69

Supporting charities to be healthy and sustainable

The second object of the ACNC Act is to support and sustain a robust, vibrant, independent and innovative not-for-profit sector.

In order to effectively support charities, the ACNC established an open and consultative approach with the sector and the broader community. The ACNC's approach is tailored to the sector it regulates – informed by the views, experiences and needs of peak bodies and large multi-entity charity groups as well as the thousands of smaller charities that make up this diverse community.

This engagement, along with a significant research program, informs the ACNC's comprehensive program of advice and guidance to charities on regulatory requirements. The ACNC responds to questions with personalised advice via phone, email, and postal mail. Generic advice is provided via the website, social media, publications and information and education sessions.

This section illustrates the work of the ACNC in 2013–14 to support and sustain charities from their registration and their ongoing operation, to making decisions about winding up or merging.



Consultation and engagement

The ACNC's work to support charities and not-for-profits is informed by respectful engagement with the sector. Consultation and feedback informs both the work of the ACNC in supporting the sector and its approach to regulation, including the design of reporting requirements and processes such as the Annual Information Statement.

The sector is encouraged to provide frank feedback and to raise matters in forums such as the ACNC Advisory Board's meetings with local charities. Engagement is also embedded through initiatives such as ACNC user groups, active participation by ACNC representatives at sector events and social media activity.

The ACNC has continued to build partnerships with sector peak bodies, state and territory regulators and research institutions with the aim better understanding the sector's needs and delivering services to support charities.

User groups

The ACNC established two groups to provide regular structured opportunities for key sector bodies to engage with the ACNC. The ACNC Sector User Group and the ACNC Professional User Group meet separately with the Commissioner and key ACNC personnel three times a year. The user groups raise issues and concerns facing the sector and the ACNC's role in addressing them. They also provide valuable feedback on the ACNC's processes and procedures.

The Sector User Group comprises invited representatives of the charities sector, while the Professional User Group brings together

professional advisers such as lawyers and accountants who regularly interact with the agency.

Both groups consider matters of procedure, publications and sector/agency interaction. They assist the ACNC to improve regulation of charities and to be open and accountable about our work and processes. The user groups have provided input into a sample constitution for charity companies, the regulatory approach to late filers and inactive charities, and to the content of various forms and publications. They have also served as a communication channel with the charity sector on ACNC requirements and processes.

Aboriginal and Torres Strait Islander communities engagement

The ACNC developed an Aboriginal and Torres Strait Islander Communities Engagement Strategy and Action Plan in consultation with Aboriginal and Torres Strait Islander community-controlled charities, peak bodies and other government agencies. The engagement strategy and action plan was initiated by the ACNC in response to the Government's *Closing the Gap* agenda.

The ACNC recognises the diversity of Aboriginal and Torres Strait Islander controlled charities and the important role they play in the provision of culturally appropriate services that address the social and economic disadvantage experienced by many Indigenous Australians. The Engagement Strategy and Action Plan aim to enhance the ACNC's engagement with Aboriginal and Torres Strait Islander communities and organisations by:

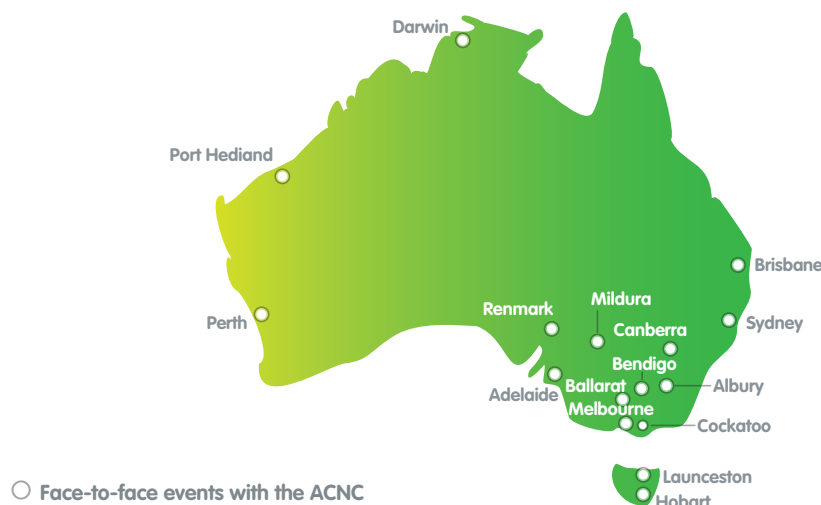
- strengthening the ACNC's organisational capacity through
 - building cultural competency among ACNC staff

- developing the ACNC's understanding of the demographics of Aboriginal and Torres Strait Islander controlled charities and the complex environments in which they operate
- developing culturally appropriate support, education and guidance materials
- working to support Aboriginal and Torres Strait Islander controlled charities to meet their ACNC Act obligations in partnership with
 - other regulators and funding agencies, to reduce red tape and coordinate engagement
 - Aboriginal and Torres Strait Islander communities and charities.

ACNC's participation in sector events

The ACNC regularly attends conferences hosted by peak bodies and not-for-profit organisations to engage with members of the sector, including charity advisers and representatives, and to discuss and promote the role of the ACNC. The Commissioner and Assistant Commissioners present papers and other senior ACNC staff present papers and workshops at conferences. Often the ACNC will have a booth at a conference, so that general advice can be given and individual queries can be answered. These events provide an opportunity for ACNC staff to meet directly with members of local communities, professional bodies, boards of governance and with charities themselves.

Locations of events



Advice and guidance

The ACNC provides a comprehensive advice service to charities to support them in meeting their obligations. In 2013–14 the ACNC handled more than 79 000 unique enquiries on regulatory requirements. The busiest times were in March and June 2014 when the majority of registered charities were required to submit an Annual Information Statement. The ACNC, through its dedicated advice line, put considerable effort and resources into supporting charities through this new process so that they were able to meet the reporting deadline.

A major task for the ACNC during 2013–14 was to raise awareness of the new regulatory framework under the ACNC Act to ensure those who run charities understand their status with the ACNC, and the benefits and obligations arising from registration as a charity. Significant work was undertaken to develop and publish guidance for charities on how to meet their obligations, including guidance on completing the 2013 Annual Information Statement (through guides, form samples and an instructional video), an update of the *Governance for good* guide to cover the governance standards, and an update of information on charities' obligations to other regulators such as state and territory regulators of incorporated associations.

This work complemented the education delivered through the ACNC *Basics* information sessions held across Australia. Other awareness-raising activity included the development of a flyer, *Do you run a not-for-profit?*, for stakeholders and peak bodies to use in their communication strategies about the ACNC.

The ACNC continued to deliver tailored content in a range of formats – videos, podcasts, community radio announcements, flyers and web content – to reach as many people working in charities as possible, in engaging and informative ways.

Our guidance has become more targeted, and tailored for particular types of charities. For example, the ACNC developed a flyer and supporting web guidance for religious charities to help them determine if they fit the ACNC Act's definition of a 'basic religious charity' – a subset of religious charities. This guidance was developed in response to indications that there was uncertainty when it came to charities submitting their Annual Information Statement and whether they fit this category or not.

The ACNC worked closely with the Office of the Registrar of Indigenous Charities as part of an agreement for transfer of information, to ensure the guidance on the Charity Portal and website was specifically targeted to those charities affected.

The ACNC is also developing tailored guidance on the registration process and the ongoing obligations for Indigenous charities.

To improve accessibility, the ACNC continued to work with access and diversity specialists to identify opportunities for education and guidance to reach a wider audience, particularly Indigenous and culturally and linguistically diverse communities, as well as to ensure information and services would meet the needs of people with disability.

Collaborative approach

The ACNC's guidance and education work is built on consultation with, and feedback from, charities and the agencies who work with them. For example, during 2013–14, we:

- worked to develop a sample constitution for companies limited by guarantee wishing to register with the ACNC. We consulted widely with expert groups, such as Not-for-profit Law at Justice Connect (formerly Pilch Connect), members of the ACNC Advisory Board, the ACNC Professional User Group and the Sector User Group. The sample constitution is expected to be published later in 2014.
 - conducted informal user testing of an update of the guide for board members on their charity's obligations (*My charity and the ACNC*) with several small charities
 - worked with Philanthropy Australia to develop targeted materials and a communication strategy for income tax exempt funds (a special type of charitable fund) to support the transfer of responsibility from the ATO to the ACNC
 - worked with Community Connect Solutions Australia, a peak body for childcare and early childhood education services, and the Federation of Parents and Citizens Association of New South Wales to create targeted articles on the ACNC and charity obligations for use in their newsletters, and flyers and other resources for distribution to their members and at their conferences
- partnered with the Queensland University of Technology to produce joint fact sheets on safe giving and on administration costs for charities.

As part of a broader project to refresh its website content and navigation, the ACNC held a workshop with charity representatives who were able to provide valuable feedback on their needs, and ways the website could be structured and improved to make it even easier for charities to use.

Personalised advice

Advice Services provides one-to-one advice to charities and the public on a range of issues. This includes registration, reporting and governance requirements, how to use the Charity Portal, and how to raise a concern about a charity. Advice is provided via multi-channel streams including a dedicated help line (13 22 62), email and written enquiries. For charities that do not have computer access, Advice Services assists with meeting their requirements using paper forms. For more complex or technical enquiries, the Advice Services team work with technical experts within the ACNC to provide more comprehensive information.

The Advice Services help line is open 9.00 am – 6.00 pm Monday to Friday Eastern Standard Time. During 2013–14 the ACNC handled 41 433 telephone enquiries and received 37 911 items of correspondence.

The ACNC prides itself on answering calls to the dedicated telephone number (13 ACNC) in a timely manner. During our busiest periods in March and June 2014, when the majority of calls were related to charities wanting to meet their Annual Information Statement reporting deadlines, the ACNC answered up to an average of 350 phone calls and 250 pieces of written correspondence per day.



41 433

phone enquiries
answered by the
ACNC advice service



55 seconds

average wait time
to call 13ACNC

During the year, the most common enquiries were from charities seeking assistance with changing or updating their charity details (addresses, responsible persons, substituted accounting period) and assistance in using the Charity Portal, followed by questions about charity law (such as how to register) and the Annual Information Statement.

The majority of enquiries to the ACNC were general in nature and were straight-forward to resolve. A small percentage (1%) was deemed complex and required follow up.

Nine customers used the Translating and Interpreting Service for speakers of languages other than English.

Face-to-face education

The ACNC conducted national information sessions for charities, professional users and interested community members in 2012–2013. Information sessions planned for start of the 2014 calendar year were cancelled as the Minister for Social Services had foreshadowed he intended to conduct consultation during this period. The ACNC concentrated on other means of communicating with the sector, especially on ensuring charities understood the need to meet their obligations to complete their Annual Information Statement for the 2013–14 reporting period.

The *ACNC Basics* sessions were initiated to complement the national information sessions held largely in capital cities. *ACNC Basics* sessions were held in regional areas, and took a deliberately educative focus to provide practical guidance and support to charities and to help them understand the role of the ACNC as the new charity regulator. *ACNC Basics* education sessions were held in July 2013 in Renmark, South Australia, and Mildura, Victoria, delivered in conjunction with peak bodies and social service organisations, including Volunteering South Australia, the South Australian Council of Social Service, Not-for-profit Law (formerly PilchConnect) and the Victorian Council of Social Service.

Such partnerships allow the ACNC to build relationships with these key agencies, as well as reaching a broader and deeper group of community organisations who are keen to understand their obligations to the ACNC, and prefer to attend sessions in person.

The *ACNC Basics* sessions were smaller than previous events, being held in smaller and more remote centres, but this allowed for effective interaction. Participants expressed great appreciation for the ACNC attending at a regional location, citing in particular how often they had to travel to capital cities to attend government-run events.

'Facilitators were able to answer questions put forward at the time. Were honest when it came to the unknown – quite refreshing!'

The final *ACNC Basics* education sessions were held in Bendigo, Victoria, and Albury-Wodonga, New South Wales/Victoria, in August 2013, with the latter session catering for a cross-jurisdictional audience. Not-for-profit Law and Council of Social Service of New South Wales, our partners at Albury-Wodonga, delivered sessions for incorporated associations in Victoria and NSW respectively. Forty-four people attended, with many of them representing incorporated associations operating in both states.

Further education and information sessions are planned for the coming year, and we continue to explore other ways of delivering education for charities, such as online forums and web-based interactive seminars.

Online

Website (acnc.gov.au)

The website, acnc.gov.au, is the ACNC's primary channel for delivering guidance to charities. With the launch of the Register and the Charity Portal, the website also became the entry point to the ACNC's transactional platform, allowing charities to report to the ACNC and keep their registration information up to date in real time. Guidance plays an important role in assisting people to meet their obligations by helping them with activities such as navigating the Charity Portal and submitting online forms.

During 2013–14, the ACNC introduced more graphical content into our online guidance information, including simple representations of complex information, such as multiple reporting periods, to help improve understanding.

The year saw a significant increase in traffic to acnc.gov.au, indicating an increasing awareness. The busiest time for web traffic was in the lead up to the 31 March deadline for Annual Information Statements.

Website content is continually reviewed and updated, as laws and processes change, and in response to website usage and feedback from users, including ACNC staff, who identify particular issues that arise for charities.

This input informed a website review project which started in September 2013. The project aimed to improve the user experience by reducing duplication in content and improving navigation and labelling. This included greater use of short URLs (such as acnc.gov.au/2013AIS) as part of project communication strategies, giving users direct access to relevant information.

Greater use has also been made of the website to support time-critical messages and campaigns. For example, our homepage and frequently asked questions page are regularly updated with information that reflects enquiries we receive. This approach provides information to charities more efficiently, helps reduce unnecessary inbound calls and allows us to use available resources more effectively.

Increasingly, website content is being adapted for multimedia formats including video, podcasts, graphics and a twitter feed, as well as practical tools such as checklists.



more than
3.6 million
views of acnc.gov.au



40 000
Annual Information
Statements submitted



25 000
governing documents
voluntarily submitted
and published



7 000
financial reports
voluntarily submitted

Social media

Social media, across multiple platforms, continues to play a significant role in raising awareness of the new regulatory framework and delivering advice and guidance to charities.

Twitter has evolved as the ACNC’s key social media tool for communicating with charities, and a twitter feed has been integrated into the website to reflect this. The social media strategy is to build content around key dates and activities, consistently linking users back to the core ACNC website.

The 2013 Annual Information Statement was the primary issue discussed on social media, in terms of posts, engagement and feedback received.

Members of the public are increasingly engaging with the ACNC via social media (primarily Facebook), often to make an informal complaint about a charity. This is reflected in the ACNC’s Facebook presence evolving to focus on giving information and advice to the public, while Twitter and LinkedIn are used to communicate with the charity sector. Social media chats were trialled on two occasions during the year, providing support online to charities and the public.

We also put a greater focus on listening to help identify key audience groups, keywords and platforms in order to grow the ACNC’s social media presence. Social media handles are also being applied more clearly and consistently across the ACNC’s printed materials with a stronger call to action for engagement via social media.

Figure 3.4: Use of ACNC social media channels, 2013–14





Social Media	Number
 Number of YouTube video views (Youtube.com.au/users/ACNCvideos)	9 843
 Number of Twitter followers (@ACNC_gov_au)	2 514
 LinkedIn membership (Aussie Charities and NFPs)	2 439
 Facebook likes (Facebook.com/ACNC.gov.au)	1 051

Table 3.5: Use of ACNC subscription email service, 2013–14

	Number
Number of subscribers to ACNC email updates	8 821
Average open rate vs benchmark (benchmark 36%)	40%
Average click rate vs benchmark (benchmark 19%)	37%

The ACNC increased its use of outbound email in 2013–14, with email being used to communicate with charities about the 2013 Annual Information Statement and to provide Charity Portal login information to those charities with an email address listed as their address for service.

The ACNC key subscription email service is the fortnightly Commissioner's Column to subscribers. The rate of opened emails remains steady and above the industry average and the rate of un-subscription is low, indicating that the audience is highly engaged and that the content being delivered is relevant and meaningful.

Multimedia content

Designed to support charities in meeting their obligations, the ACNC's education videos, podcasts and instructional screencasts cover a wide range of topics, including the Annual Information Statement, updating charity details such as change of responsible people, and using the Register. Our screencast, with tips on how to fill out the Annual Information Statement, was especially popular, with more than 5 000 views.

Publications

While the ACNC's core guidance delivery platform is the website, print publications have a continuing role. People attending information sessions and conferences often like to take away hard copies or prefer translated information in hard copy. Print publications are also used in mail-outs, such as the Charity Pack for newly registered charities. We can also deliver tailored information for specific groups, for example our printed brochure on basic religious charities. This print information reinforces and supports the information available online.

During the year, the ACNC produced 10 new publications and updated three fact sheets. Topics included guidelines for governance standards, measuring and reducing red tape,

running a not-for-profit and an overview of compliance cases.

All of these resources are available online as well as in print.

Separate factsheets on the regulation of charities in each state and territory have been replaced with a single factsheet, with contact points for all states and territories, while more 'Quick tips' information has been released, on engaging employees, holding meetings and AGMS, for example.

Principles of good regulation

The ACNC Advisory Board has considered established principles of good regulation. It has reflected on the experience of the ACNC to date and the years of inquiry and consultation leading to the ACNC, as well as other regulatory reforms initiated over recent years. In light of these principles, the Board believes good charity regulation and administration include the following features:

- independence of decision-making (free of sector, political or commercial influence)
- effectiveness and efficiency in achieving clearly defined policy goals
- clarity, transparency and accountability
- fairness and natural justice in decision making and administrative processes
- integrity and certainty
- proportionality, consistency and regulatory necessity
- understanding of, and respect for, the contribution of the sector
- integration, consistency and support of other laws, agreements and international obligations.

These principles are provided by the Board to the Commissioner and, through her, to help inform wider debate. They are expanded on in Appendix D.

Research

Publishing information about the sector

The ACNC's research program aims to improve public understanding of the work of charities and other not-for-profits, and facilitate and promote research on the sector. In analysing the data collected on the sector, the ACNC developed a series of 'sector snapshots' profiling the charities that have been registered.

In December 2013, on the anniversary of its start date, the ACNC produced a *One year on snapshot* that outlined what the newest charities do, who they help and where they are based.

In May 2014 the ACNC commissioned Curtin University to analyse more than 40 000 Annual Information Statements. This analysis is expected to be completed in the first quarter of 2014–15 and will provide a comprehensive profile of the charity sector, covering charities' size, type and the work they do.

To further facilitate research and public transparency, the ACNC has published (de-identified) data collected on the Register to data.gov.au (the Government's central data repository). This enables researchers to conduct independent analysis to improve the knowledge base on the sector.

Research network

The ACNC has continued to grow the sector research network with more than 80 researchers. We held a research network teleconference on 3 October 2013 where participants discussed the potential to establish a clearing house of research requests, talked about international approaches to research in the sector, and built connections with each other.

Research awards

The inaugural ACNC – Australian and New Zealand Third Sector Research Incorporated (ANZTSR) Research Project Award was presented to two recipients in October 2013 – Dr Angela Bletsas (South Australian Council of Social Service) and Dr Craig Furneaux (Queensland University of Technology).

The Research Project Award, along with the NFP Sector Research Paper Award, was established under a partnership between the ACNC and ANZTSR to give early career researchers opportunities to further their work in areas relevant to the objects of the ACNC Act.

Both awards were open to anyone in the first five years of a research career based in an Australian university or not-for-profit organisation.

Dr Bletsas has worked with the ACNC to examine what independence means for the not-for-profit sector.

Dr Furneaux has undertaken further analysis of the ACNC's data to investigate what makes the public trust charities.

In addition to these formal involvements, the ACNC routinely responds to requests from researchers locally and internationally to provide information for research, or to interview key personnel on aspects of their research. The ACNC is happy to be involved where privacy and secrecy constraints allow.

2013 Annual Information Statement

The 2013 Annual Information Statement was the first time registered charities were required to report to the ACNC. We developed a range of guidance material to support charities in preparing their statement.

These included a guide to filling out the Annual Information Statement, a preview of the questions, a video to demonstrate how to fill it out, information about requirements and withholding details, a checklist, common questions and answers, and the opportunity to ask us questions about it live through social media.

Analysis of website visits indicates that many charities viewed this guidance before completing their Annual Information Statement, with the website receiving the highest daily traffic for the year in the 10 days prior to the 31 March deadline.

As well as the guidance material, the ACNC raised awareness of the reporting requirement through emails to subscribers, editorial coverage in sector media and newsletters, targeted online advertising, advertising in sector media, social media, Commissioner's Columns and the homepage of our website.

The ACNC's efforts paid off, with more than 40 000⁴ charities lodging by 30 June 2014. This translated to more than 80% of charities required to lodge by the deadline.

Approximately 7 000 charities also took the additional step of voluntarily lodging their financial reports in addition to their Annual Information Statement. This information is publically available on the Register.

Although providing financial information is not compulsory until the 2014 reporting period, it helps improve our knowledge of charities and their modes of operation and it increases transparency – bringing useful information to donors, funders and the broader community.

2013 Annual Information Statement facts and figures

- 98% of submissions were made online
- 6 800 submissions were made through 85 bulk submissions
- Approximately 7 000 charities voluntarily filed their financial reports
- More than 80% of charities with a deadline up to, and including 30 June, submitted their Annual Information Statement on time

⁴ These figures are based on lodgements up to and including 6 July 2014. As stated in the Commissioner's Column of 1 July 2014, all statements lodged on or before 6 July 2014 are considered to have met the 30 June deadline. As at 30 June 2014, more than 39 000 2013 Annual Information Statements had been lodged.

Feature

Sample constitution for charitable companies

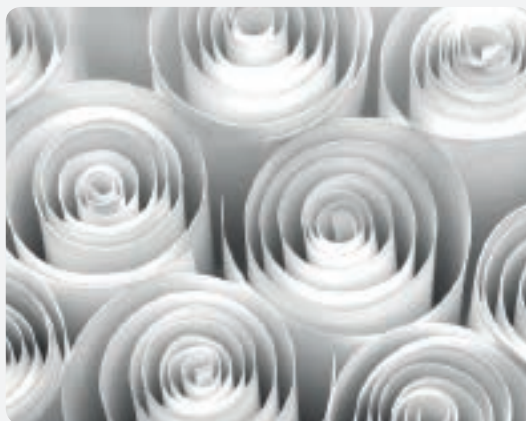
The ACNC has developed a sample constitution for companies limited by guarantee that wish to register with the ACNC as a charity and access charity tax concessions.

Approximately 6 000 of Australia's 60 000 registered charities are companies limited by guarantee. They have extensive governance requirements under both the Corporations Act and ACNC Act, and directors are personally responsible for their charities' good governance.

The sample constitution helps start-up charities adopt practical and appropriate structures, rules and procedures and promotes good governance in the charity sector generally. It complies with both the Corporations Act and the ACNC Act.

In developing the sample constitution, the ACNC consulted extensively with charity sector representatives and professional advisers, using a consultation draft, online survey and facilitated focus group to gather feedback. This will help ensure that the sample constitution is not only legally accurate but easy to use and accessible to charities.

The sample constitution and related guidance will be launched in the second quarter of 2014–15.



Driving regulatory and reporting simplification

The third object of the ACNC Act is to promote the reduction of unnecessary regulatory obligations on the Australian not-for-profit sector.

In pursuit of this, the ACNC has put in place a framework for reporting by the sector that balances the need for the regulator and the public to have accurate and timely information with the need to minimise the reporting and compliance burden on charities.

The ACNC also works with other agencies at a national and state level to remove unnecessary regulatory obligations; for example, with the aim of harmonising state and territory legislation governing charities.

The ACNC's approach to red tape reduction is two-fold: minimising its own regulatory requirements to those necessary to maintain, protect and enhance public trust and confidence in the sector and to support a robust and innovative sector; and working with other agencies to reduce unnecessary or duplicative administrative requirements imposed on the sector.

The ACNC is committed to supporting the Government's deregulation agenda through the implementation of the ACNC's 'report once, use often' reporting framework. The greatest challenge faced by the ACNC, and the greatest impediment to red tape reduction, has been the uncertainty regarding its future. This has impacted the commitment of some agencies to work with the ACNC on cooperative initiatives to reduce red tape.

However, the ACNC has found that red tape reduction can be most effective where there is a strong mandate such as the Commonwealth Grant Rules and Guidelines to drive uptake by individual agencies. The Rules and Guidelines recommend government agencies source relevant data, where it exists, from agencies

such as the ACNC, rather than collecting from individual organisations.

Despite the challenges, the ACNC has made significant progress in red tape reduction in our first 16 months. The most significant advancement in red tape reduction is the collection of common charity information for the first time via the 2013 Annual Information Statement, which has also been used to populate the Register. This is setting the foundation for a single corporate report for charities to reduce duplication and harmonise regulation.



Reporting to the ACNC

All registered charities are required to report annually to the ACNC. The level of reporting is proportionate to the charity's size.

- Small charities (annual revenue of less than \$250 000) only need to submit an Annual Information Statement and can choose to submit an annual financial report, but this is not required.

- Medium charities (annual revenue of \$250 000 or more but less than \$1 million) must lodge an Annual Information Statement and for the 2014 reporting period onwards must also lodge an annual financial report that is either reviewed or audited.
- Large charities (annual revenue of \$1 million or more) must lodge an Annual Information Statement and for the 2014 reporting period onwards must also lodge an annual financial report that is audited.

The Annual Information Statement is designed to capture information about the operation and activities of the charity and how it pursued its charitable purpose.

Appropriate reporting framework

The ACNC's reporting requirements were designed in close consultation with charities to ensure the right information (amount and type) was collected in proportion to charity size. The consultation process for the 2014 Annual Information Statement was conducted through an online survey, email, post, face-to-face and teleconference. In response to feedback, questions were changed or removed to find the right balance.

'We are keen to work with the sector to ensure that reporting requirements are kept to a minimum, while allowing for the collection of information to populate the Register, and to create the Charity Passport which itself will also contribute to red tape reduction'

For some, group concessions are provided under the ACNC Act. For example, 'basic religious charities' do not have to provide any financial reporting.

The ACNC's reporting requirements are modest when compared with overseas charity regulators. For example, the Canadian and US regulators have (paper-based) forms with detailed (including financial) questions. The US Form 990 has ten times the number of

questions (more than 190) compared with the ACNC 2013 Annual Information Statement which had 17 non-financial questions.

2013 Annual Information Statements

The 2013–14 year was the first in which charities were required to report to the ACNC via an Annual Information Statement in respect of the 2013 financial year (or substituted accounting period), which is published on the Register.

Charities reporting on a standard financial year must complete their Annual Information Statement by 31 December, and those operating on a calendar year must complete it by 30 June 2015. Charities with different reporting periods must submit their Annual Information Statement six months after the end of their reporting period.

The 2013 Annual Information Statement had 17 mandatory and three voluntary non-financial questions.

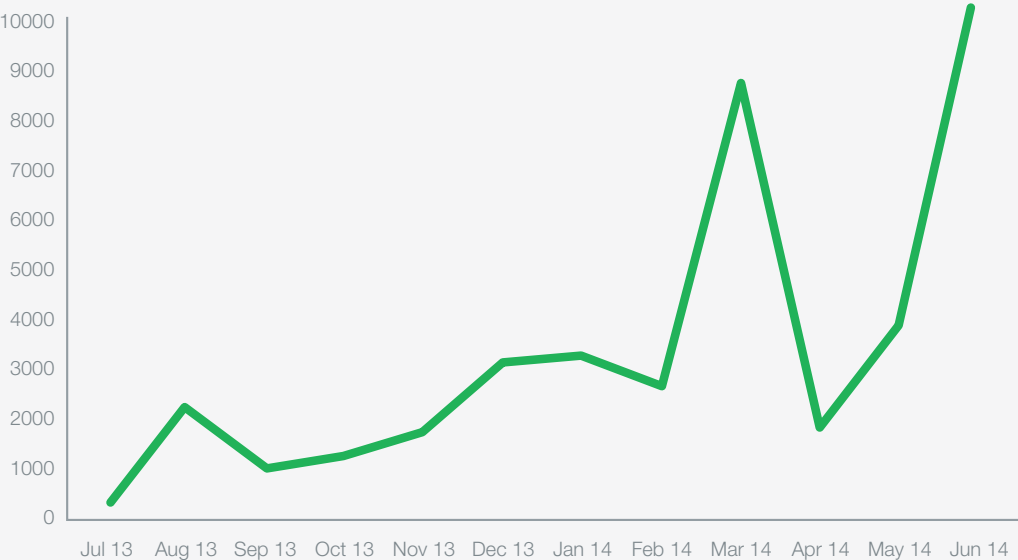
Extensive support and guidance was offered by the ACNC to help charities complete their statement, including:

- an extension to 31 March 2014 for charities reporting on a financial year
- an easy to use online version on the ACNC website (used by 81% of charities to lodge their 2013 Annual Information Statement)
- videos, answers to frequently asked questions and a checklist
- a streamlined mechanism for organisations managing multiple charities (such as trustee companies and dioceses) to submit Annual Information Statements for member entities using an online single bulk lodgement form (used by 17% of charities)
- the 13 ACNC advice line (which answered hundreds of Annual Information Statement related questions).

Table 3.6: 2013 Annual Information Statement lodgements, 2013–14

2013 Annual Information Statement Lodgements as at 30 June ⁵				
Status	Small	Medium	Large	Total
Submitted online	20,394	5,719	6,291	32,404
Bulk lodgement	5,832	458	512	6,802
Paper returns	753	36	11	800
Total	26,979	6,213	6,814	40,006
In progress				1,840
Grand Total				41,846

Figure 3.5: 2013 Annual Information Statement lodgements by month, 2013–14



⁵ These figures are based on lodgements up to and including 6 July 2014. As stated in the Commissioner's Column of 1 July 2014, all statements lodged on or before 6 July 2014 are considered to have met the 30 June deadline. As at 30 June 2014, more than 39 000 2013 Annual Information Statements had been lodged.

2014 Annual Information Statement and financial reports

Consultation undertaken by the ACNC in the early part of 2013 has informed the development of the 2014 Annual Information Statement.

The financial questions to be included in the 2014 Annual Information Statement were finalised and published on the ACNC website in July 2013 together with detailed guidance and a mapping of financial data elements to the National Standard Chart of Accounts (NSCOA).

The content of the 2014 Annual Information Statement was further refined during 2013–14. Wherever possible, data already provided by charities (for example via the 2013 Annual Information Statement) will be used to pre-populate fields. There has been a reduction in the number of non-financial questions, and the wording of questions has been modified to provide greater clarity for charities.

In addition to the Annual Information Statement, financial reports for the 2014 reporting period and onwards must also be lodged by:

- medium charities (annual revenue of \$250 000 or more but less than \$1 million), which are either reviewed or audited
- large charities (annual revenue of \$1 million or more), which must be audited.

All financial reports will include:

- financial statements for the reporting period
- notes to the financial statements
- a charity's declaration about the statements and notes.

Financial reports can include general purpose financial statements or special purpose financial statements which meet applicable Australian Accounting Standards and provide a true and fair view of financial position and performance.

Transitional arrangements for charities that lodge reports with other government agencies

During a transitional period up to and including the 2015 reporting period, if a charity provides a statement, report or other document to an Australian Government agency under an Australian law then the Commissioner may treat this as meeting the charity's requirement to submit an Annual Information Statement and financial report (where applicable). When deciding whether to accept another government report, the Commissioner must consider certain matters such as what access the Commissioner has to the information, the kind of information contained in the other documents and processes used to verify the other government reports. The ACNC will continue to work with other government agencies to use this discretion wherever possible to minimise duplication and unnecessary administrative requirements.

Transitional arrangements for charities that have never reported

A transitional measure for the 2014 reporting period is also available for medium and large registered charities that were not required, under an Australian law, to prepare a report that complied (and did not prepare a financial report that complied or purported to comply) with Australian Accounting Standards in the 2013 reporting period. If applicable, for the 2014 reporting period, the charity only needs to provide the same financial information that is included in the 2014 Annual Information Statement (proportional to size), which must be either reviewed or audited (depending on charity size), together with a responsible persons' declaration.

Red tape reduction

Government's deregulation agenda

The Government's deregulation agenda aims to reduce unnecessary regulatory costs on individuals, businesses and community organisations. The ACNC made a significant contribution to the Government's target through a number of deregulation measures. Among them has been the Commissioner's decision to accept charities' financial reports submitted to state and territory regulators in place of ACNC annual financial reports for the 2014 reporting period. This is an important step in avoiding unnecessary duplication for charities and is consistent with the third object of the ACNC Act to promote the reduction of unnecessary regulatory obligations on the sector.

Charity Passport

In June 2014, the ACNC launched the Charity Passport, which allows for information collected once by the ACNC to be provided to and 'used often' by other government agencies (Commonwealth, state and territory), reducing the need for charities to repeatedly provide the same information to different bodies. The Charity Passport packages the information that the ACNC receives from charities into an electronic format for sharing with government.

The system allows all data on the Register to be accessed by other government agencies – Commonwealth, state and territory. As agencies agree to become authorised Charity Passport Partners, charities will be able to report once to the ACNC and have that information accessed by authorised Charity Passport Partners. This will provide much of the core information these agencies require, particularly in relation to grants administration.

The Charity Passport will result in considerable time and administrative savings for charities interacting with government agencies, particularly in relation to grants administration.

The use of the Charity Passport by Australian Government agencies was mandated in the 2013 Commonwealth Grant Guidelines. New Commonwealth Grants Rules and Guidelines (CGRGs), introduced under the *Public Governance, Performance and Accountability Act 2013* (Cth), took effect in July 2014. The CGRGs, while not specifically referring to the ACNC, retain important 'report once, use often' principles. The CGRGs require that Australian Government entities must have regard to information collected and made available by regulators and should not seek this information from grant applicants/recipients. Further, if a charity provides an audited financial statement to the ACNC a separate financial acquittal should not be required unless the activity is 'higher risk'.

The ACNC published a guide for government agencies on use of the Charity Passport. It provides information about the 'report once, use often' concept, advice about when to use the Charity Passport information, and technical information about accessing the system. It also flags future developments, including a web services interface to allow dynamic interfacing with other agencies' IT systems. These developments promise further red tape reduction for charities. The ACNC's guide on the Charity Passport for government agencies makes it clear to agencies that the Charity Passport information is available to, and should be accessed by, all agencies engaging with charities. Guidance for charities on the Charity Passport is available on the ACNC website.

Regulatory alignment

The ACNC is willing to make the Charity Passport available to all states and territories as well as on an agency-by-agency basis, and the Commonwealth Attorney-General's Department has signed on to access it. It does not require any shift of regulatory functions or any referral of state powers. As each new agency accepts the Charity Passport, it will further build the reach of

the 'report once, use often' model, eliminating reporting to multiple agencies and jurisdictions.

Streamlined, online registration process

The ACNC and the Australian Taxation Office (ATO) have worked together to provide a single, online form for registering for charitable status and Commonwealth tax and other benefits. Previously the ATO process was paper-based, but 98.5% of applications are now made online. The separation of decision-making about charitable status has not increased the application period.

Red tape research

To assist in targeting red tape reduction efforts, the ACNC commissioned research into the regulatory and reporting burden on charities at the Commonwealth level. The research, conducted by Ernst and Young, included a conceptual framework, case studies and red tape mapping and costing consistent with the Government's costing methodology.

The research findings will be published early 2014–15.

Charity working parties

In 2012–13, the ACNC set up two charity working parties (the Non-government School Streamlined Reporting Working Party and the Social Services Working Party), envisaged at the time as the first of up to 25 that would map the regulatory and reporting requirements for specific groups of charities with the aim of eliminating duplication and streamlining reporting.

This program has been put on hold, with the two initial groups suspended and no further groups established, due to uncertainty about the ACNC's future as a result of the Government's intention to repeal the ACNC Act.

National Standard Chart of Accounts

The ACNC has been careful to ensure consistent, standardised reporting where possible.

From June 2013, the ACNC took carriage of the ongoing maintenance and updating of the National Standard Chart of Accounts (NSCOA), an initiative of the Queensland University of Technology.

NSCOA provides a common approach to capturing accounting information for use by not-for-profits and government. The Australian, state, territory and local governments agreed through the Council of Australian Governments to accept NSCOA for all reporting purposes.

NSCOA, and the ACNC's stewardship of it, has made a significant contribution to red tape reduction. One state alone has estimated savings of \$3.1 million a year over 10 years. In the event of the abolition of ACNC, a home needs to be found for the NSCOA initiative so its potential is not lost.

The ACNC has also ensured consistency with the Australian Bureau of Statistics and international classifications relevant to not-for-profits in forming categories in its forms.

Working with Commonwealth departments and agencies

The ACNC works closely with Commonwealth agencies that also have a role in regulating the not-for-profit sector, including those who administer legislation that was amended as part of the ACNC's establishment. The aim is to ensure that the interaction of the various laws works to achieve the objects of the ACNC Act, particularly in relation to simplifying regulation and reporting requirements.

Office of the Registrar of Indigenous Corporations

The ACNC worked closely with Office of the Registrar of Indigenous Corporations (ORIC) during 2013–14 to develop protocols and procedures for sharing data on the more than 700 Aboriginal and Torres Strait Islander corporations registered with ORIC that are also registered with the ACNC.

Under a memorandum of understanding with ORIC, organisations that lodge reports with ORIC under the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* and remain eligible to be registered as a charity will meet their ongoing obligations with the ACNC until at least the 2014–15 reporting period.

Department of Social Services

A senior executive officer from the Department of Social Services (DSS) worked on secondment to the ACNC, up until 30 April 2014, focusing on the ACNC's red tape reduction initiatives. The officer led work for the ACNC's red tape reduction forum and Research Project.

Responsibility for aged care (previously with the Department of Health and Ageing) moved to DSS in late 2013. The ACNC worked with these departments to streamline notification procedures for registered charities that are approved aged care providers.

The DSS withdrew from the trial of the data transfer protocols for the Charity Passport, and duplicative data requirements for charities remain.

Red tape reduction initiatives, such as the Social Services Working Party, ceased during the year due to the uncertainty around the ACNC's future.

Department of Education

The ACNC and the Department of Education (DoE) continued to collaborate to remove duplicated reporting requirements on non-government schools under the *Schools Assistance Act 2008* and the subsequent *Australian Education Act 2013*.

In December 2013 the ACNC and the DoE signed an exchange of letters to streamline reporting obligations for large long day care centres. As both the DoE and the ACNC require audited financial reports on an annual basis, the DoE has agreed to share audited financial reports submitted to it with the ACNC to facilitate the centres' compliance with the ACNC's reporting requirements for the 2013–14 and 2014–15 reporting periods.

The Non-government Schools Working Party has ceased to operate, but the Department of Education has committed to continue working with the ACNC to minimise reporting burdens on all education providers.

Tertiary Education Quality and Standards Agency

In November 2013 the ACNC signed a memorandum of understanding with the Tertiary Education Quality and Standards Agency (TEQSA), providing, among other things, for the ACNC to accept financial reports lodged with TEQSA under the *Tertiary Education Quality and Standards Agency Act 2011* as satisfying ACNC annual requirements for reporting until at least the 2014–15 reporting period. This agreement will reduce the reporting burden on higher education institutions.

Deductible gift recipient registers

Organisations that meet certain requirements can apply to be endorsed as a deductible gift recipient (DGR). This entitles them to receive tax-deductible donations and contributions. Most DGR categories are administered by the ATO, but four DGR categories are administered as registers by different Australian Government departments. Work continued during 2013–14 to streamline the registration process for organisations that seek DGR status under one of these registers:

- Register of Environmental Organisations, administered by the Department of Environment
- Register of Cultural Organisations, administered by the Ministry for the Arts, Attorney-General's Department
- Register of Harm Prevention Charities, administered by the Department of Social Services
- Overseas Aid Gift Deduction Scheme, administered by the Department of Foreign Affairs and Trade.

The ACNC's 2014 registration form was designed in consultation with these DGR register agencies to allow registration applicants to indicate an intention to apply for a DGR register listing. Threshold eligibility questions were also included. If satisfied, the applicant's registration form and associated documents are automatically sent to the relevant DGR register to be considered for listing.

Aligning and harmonising state and territory legislation

In working to reduce unnecessary regulatory obligations on the Australian not-for-profit sector (the third object of the ACNC Act), the ACNC has since its establishment promoted and contributed to efforts to align and harmonise state and territory legislation.

While there have been some successes, the impetus for this aspect of the ACNC's work began to slow during 2013–14 due to uncertainty about the ACNC's future as a result of the Government's intention to repeal the ACNC Act.

South Australia

The Government of South Australia consulted on an exposure draft which proposes changes to the law covering incorporated associations and charitable collections to harmonise reporting, and to allow charities to collect donations in South Australia once they are registered with the ACNC. The exposure draft has not yet been enacted.

Australian Capital Territory

The ACT Government has expressed an interest in harmonisation of reporting and charity regulation. The government had indicated it is waiting for further clarification of the future of the ACNC and charity regulation before proceeding.

State and territories – acceptance of reports

In February 2014 the Commissioner announced she will exercise her discretion to accept financial reports submitted to state and territory government agencies in place of ACNC annual financial reports for the 2014 reporting period. This means that incorporated associations, cooperatives and charitable fundraising organisations that currently submit financial reports to their state or territory regulator will be able to electronically submit the same financial reports to the ACNC.

This move demonstrates how the ACNC can work with state and territory agencies to reduce unnecessary regulatory obligations.

Feature

Red tape reduction forum



The ACNC hosted the 'Measuring and Reducing Red Tape in the Not-for-profit Sector' forum in December 2013 in Canberra to gather input on red tape reduction initiatives. Ninety five representatives from charities, not-for-profit peak bodies, government, professional services firms, and research bodies attended. There was overwhelming consensus at the forum that the priority for red tape reduction is harmonisation of regulatory requirements across jurisdictions. The ACNC was encouraged to continue its productive work with states and territories to harmonise reporting by incorporated associations and for fundraising purposes. Implementation of the Charity Passport was also strongly supported.

The forum report, published in February 2014, outlined 17 recommendations for red tape reduction grouped into five themes: national approach, risk, outcomes, funding agreements and reporting, and sector capacity. The recommendations helped to shape the ACNC's work in 2013–14 and the ACNC will continue to pursue these opportunities in the 2014–15 year.

Management and accountability

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Corporate governance

The Commissioner

The *Australian Charities and Not-for-profits Commission Act 2012* (Part 5-2) provides for the Commissioner's establishment, functions and powers, including terms and conditions of employment. The Governor-General appointed Susan Pascoe AM as the Commissioner of the ACNC for a period of five years from 7 December 2012 until 30 September 2017.

Corporate and operational planning

Planning and reporting are key elements of the ACNC governance framework. In 2012 the ACNC developed its Strategic Plan for 2012 to 2015, documenting its vision, mission, values and strategic priorities for the three-year period (available at www.acnc.gov.au). The strategic priorities closely align with the objects of the ACNC Act.

The Strategic Plan is supported by annual business plans and team plans for each directorate. Annual business plans enable the ACNC to focus on the most critical priorities and strategies for achieving the objects of the ACNC Act. They take into account the opportunities, risks and threats facing the ACNC, including workforce capabilities and changes in government policy. Business plans set the ACNC's direction and key deliverables for the year as well as performance measures.

Throughout the year, the ACNC's performance is monitored and reported through its management committees. Performance reports on the ACNC's business plan and performance indicators were provided to the management committees on a monthly basis and to the Advisory Board on a quarterly basis.

Due to the uncertainty regarding its future, the ACNC planned in two six month blocks for the periods July – December 2013 and January – June 2014. The confirmation in the May 2014 budget to the ACNC's forward estimates gave the ACNC financial stability to enable planning for a full year to July 2015.

Internal governance

The ACNC's governance framework provides for efficient and effective risk management, informed decision making and accountability.

Management committees

ACNC management committees are key elements of the ACNC's governance and assurance, supporting the Executive in effectively monitoring and managing operations and informing decision making.

Executive Committee – assists the Commissioner in setting the strategic direction and responsibilities to administer the ACNC Act. It is the primary decision-making body and comprises the Commissioner and two Assistant Commissioners. The Executive meets weekly, and its decisions are promptly reported to Directors for action and communication to their teams.

Management Committee – comprises the Commissioner, two Assistant Commissioners and Directors. It meets monthly with agenda items nominated by any member and covering any aspect of the ACNC's work benefiting from broad input.

Operational committees and structures

ACNC operational committees focus on core areas of work and oversee the implementation of action plans and projects. Membership is broad to ensure that those with relevant expertise or responsibility are present.

Audit and risk committee – manages risk and audit functions for the ACNC, including oversight of contracts, budgets, fraud control, memoranda of understanding and maintenance of ethical standards. This committee meets quarterly and is chaired by the Commissioner. In October 2013 the Australian Taxation Office (ATO) Assistant Commissioner of Corporate Budgeting and Financial Reporting joined the committee as an independent member.

Finance sub-committee – assists in the Commissioner's financial management and assurance responsibilities. This committee meets monthly and is chaired by the Assistant Commissioner Charity Services.

Reporting committee – is responsible for developing and monitoring initiatives to reduce unnecessary regulatory requirements for not-for-profits. The reporting committee is also responsible for matters related to the development and maintenance of the ACNC reporting framework. This committee is chaired by the Commissioner.

Compliance case conference – monitors key decisions relating to the commencement, conduct and closure of compliance reviews, investigations and other compliance activities, including but not limited to the use of monitoring warrants and key enforcement powers. This committee meets fortnightly and is chaired by the Director of Compliance. Membership includes the Executive and senior members of the Legal and Compliance directorates.

Registration case committee – is responsible for reviewing, endorsing or commenting on case decisions before they are approved by the decision maker and acts as part of the ACNC quality review framework.

Internal audit, risk management and ethical standards

For the purposes of the *Financial Management and Accountability Act 1997*, the ACNC's financial operations are managed according to the ATO's established processes for internal audit, risk, fraud control and maintaining ethical standards.

In addition, the ACNC has established its own risk function which is overseen by the ACNC Audit and Risk Committee.

External scrutiny and accountability

The ACNC's decisions and operations are subject to review by a range of external bodies including the courts and the Administrative Appeals Tribunal (AAT), Parliamentary Committees, the Australian National Audit Office, the Commonwealth Ombudsman and the Privacy and Information Commissioner.

During 2013–14 the ACNC was not the subject of a report by any external body.

Review and appeals

The ACNC Act establishes the Commissioner's regulatory powers, which are delegated to the two Assistant Commissioners, who have in turn authorised officers to make decisions on their behalf.

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.

Internal review – statutory

Under the ACNC Act, the following ACNC decisions can be internally reviewed:

- refusal to register the charity or a sub-type charity (section 30-35)
- revoking (or not revoking) the charity's registration (section 35-20)
- directing the charity to do (or not do) something, changing such a direction or not changing or removing a direction after 12 months (section 85-25)
- refusing to remit part or all of an administrative penalty if the remaining penalty is more than two penalty units (section 175-60(3)).

Under the ACNC Act, a responsible person can seek an internal review of the following ACNC decisions:

- suspending the responsible person from a position or changing the time a suspension of the responsible person ends (section 100-10(10))
- removing the responsible person from a position (section 100-15(7)).

Applications for internal review must be made using the ACNC's Notice of Objection form within 60 days of the original decision. If the time period has passed and the charity still wishes to seek internal review, it must request an extension of time in writing and set out the reasons for not meeting the timeframe. The ACNC can agree or not agree to the request.

When the ACNC receives a Notice of Objection about one of these types of decisions, an ACNC officer who did not make the original decision will review the decision. The ACNC has 60 days from receiving the Notice of Objection to review the original decision.

The ACNC received eight objections to its decision to refuse registration or a particular subtype of registration. Of the eight objections, four decisions were overturned, two were upheld and two were still in progress at 30 June 2014. Decisions were overturned as a result of the applicant providing further information to clarify their purposes or activities.

Internal review – reconsideration

The ACNC has provided a mirror internal review process for decisions not covered by the statutory review approach. These include a decision not to withhold information from the ACNC Register (ACNC Act section 40-10) and a decision to issue a formal warning (ACNC Act section 80-5).

These types of internal review decisions can only be appealed to a court on the legality of the decision-making process, rather than the substance of the decision.

The ACNC received eight requests for reconsiderations sought on these types of decisions from the Registration directorate. Of these, two decisions were upheld, four were overturned and two were still in progress at 30 June 2014.

External review – Administrative Appeals Tribunal

If a charity or responsible person is unhappy with the ACNC's decision on review, they can apply for further review by the Administrative Appeals Tribunal (AAT). An application to the AAT must be made within 60 days of the review decision. If the ACNC does not agree to accept a late review application, the AAT can also review that decision.

An AAT decision can be further appealed to a court.

Decisions not covered by the ACNC Act's reviews and appeals process cannot be reviewed by the AAT.

During 2013–14 no ACNC decisions were appealed to the AAT.

External review – court appeal

A charity or responsible person can also appeal objection decisions directly to a court, within 60 days of the objection decision.

Applications to the AAT and appeals to the court may be limited to the charity or responsible person's reasons for reviewing the original decision.

Decisions not covered by the ACNC Act reviews and appeals process can only be appealed to the court if the decision making process was unlawful.

During 2013–14 no ACNC decisions were appealed to a court.

Human resources

Our people

As a knowledge-based service organisation, the ACNC aims to attract, develop and retain quality people who can work effectively with our external clients and stakeholders and have the flexibility to meet changing business needs. This requires a workforce that collectively has genuine insight into the not-for-profit and community sectors, and a commitment to their sustainability and capability.

At 30 June 2014 the ACNC had 93.44 full time equivalent employees, compared to 102.89 in 2012–13. While there was little change in the total number of staff, ongoing full-time employee numbers fell from 94 at 30 June 2013 to 63 by 30 June 2014. Two staff members started long term or maternity leave, 16.82 staff were seconded from the ATO and three casuals commenced a short term contract with the ACNC.

Natural attrition increased due to the uncertainty regarding the ACNC's future. This, coupled with Australian Public Service Commission directions on recruitment, resulted in a fall in staff numbers across all levels except for the Senior Executive level. Senior Executive levels remain the same as the previous financial year. The most significant fall was at the APS6 level, where staff numbers decreased from 33.62 to 27.36 during the year.

The ACNC:

- seeks to hire people from a range of backgrounds across the public, not-for-profit and private sectors
- actively promotes workplace diversity through its recruitment and management processes, which are governed by the APS employment framework
- supports a flexible workforce (with 9% of staff working part-time at 30 June 2014, compared with 4.7% at 30 June 2013).

Table 4.1: Full time equivalent employees by classification and gender, at 30 June 2014

Employees by classification	Female	Male	Total
Contractor	0	0	0
APS3	0	1	1
APS4	10.9	7	17.9
APS5	8.57	1	9.57
APS6	13.36	14	27.36
EL1	18.23	9	27.23
EL2.1	5.73	0.65	6.38
EL2.2	1	0	1
SES1	0	2	2
SES2*	1	0	1
Total	58.79	34.65	93.44

* Statutory office holder.

Separation and recruitment

To maintain required capabilities, the ACNC recruited 16 staff during the first few months of 2013–14 – eight via internal promotion in an ongoing capacity, six externally engaged on an ongoing basis, and two externally engaged on a non-ongoing basis.

An Australian Public Service Commission recruitment directive to reduce overall public service staff numbers through natural attrition resulted in the ACNC ceasing permanent recruitment of all vacant positions from 1 November 2013. During this time the Australian Public Service Commission implemented arrangements that made redeployment of displaced employees, within agencies and across the APS, the first priority when filling vacancies. This resulted in significant challenges for the ACNC in backfilling

staff vacancies and in recruiting for future requirements. The ACNC supplemented its workforce of ongoing and non-ongoing staff with temporary placements of casual and labour hire staff to assist with peaks in workload.

Two directors departed during the year, with both positions backfilled on an acting basis in the short term.

The ACNC's overall retention rate during 2013–14 was 76% and there were no voluntary redundancies.

Table 4.3: Staff reductions by classification, 2012–13 to 2013–14

Classification	2012–13	2013–14
APS4		1
APS5		1
APS6	2	9
EL1	5	4
EL2		2
Total	7	17

Table 4.2: Employment type, at 30 June 2014

	Full time equivalent
Statutory Appointee	1
Contractor	0
Casuals	0
Ongoing full-time	63
Ongoing part-time	7.62
Ongoing (Long term leave/maternity leave)	2
Non-ongoing	3
Ongoing (full time)/secondment	16
Ongoing (part time)/secondment	0.82
Total	93.44

Table 4.4: Nature of engagement by classification, at 30 June 2014

	Number of engagements	Classification	Appointment type
Internal Promotion	3	APS4	Ongoing
	2	APS5	Ongoing
	2	APS6	Ongoing
	1	EL1	Ongoing
External Hire	1	APS5	Ongoing
	2	APS6	Non-Ongoing
	3	APS6	Ongoing
	2	EL1	Ongoing

Table 4.5: Employment background of staff, at 30 June 2014

Employment background	Full time equivalent
Australian Taxation Office	19.44
Australian Public Service agency	18.02
Private	17.81
Australian Taxation Office employees on secondment to the ACNC	16.82
State government	16.35
The Department of Internal Affairs, Charities Services (New Zealand)	3
UK Charity Commission	2
Total	93.44

Evergreen Indigenous Advancement Program

The ACNC participated in the Evergreen Indigenous Advancement Program in 2013–14. Open to Indigenous Australians, the program is a development and advancement program spanning a 24– month period.

The ACNC hosted three Evergreen Indigenous cadets on rotation within the following directorates:

- Policy and Education
- Communication
- Registration.

Training and development

In 2013–14 the ACNC focused on developing an organisational learning and development framework tailored specifically to its needs. The framework was designed to improve the skills of people in their current job as well as building their capability for future positions.

Using this framework we identified some core training needs, and delivered programs for:

- Briefing APS Decision Makers and Ministers
- EL1 Transition
- Information Technology Infrastructure Library Foundation Training
- Essential Writing for Executive Levels.

Staff also completed mandatory training designed to help them understand their roles and responsibilities as ATO/ACNC employees in relation to the proper use of information technology, security awareness and work health and safety.

Staff seminars were held during the year featuring presentations and discussions with leaders and practitioners in the charities and not-for-profit sector (see table 4.6). These seminars provide a reflective and informal learning environment for staff to share information.

Engagement Survey

ACNC staff participated in the Australian Public Service Commission’s annual employee engagement survey, which forms part of the State of Services report. This report is an important means of assessing strategic leadership, workforce capability and organisational effectiveness. The survey identified issues relating to the ACNC’s workplace environment and the demands and control of incoming work. Action taken to address these issues included resilience training delivered by an external facilitator to 44 staff over three days.

Table 4.6: Not-for-profit sector seminars, 2013–14

Date	Presenter	Organisation
24 July 2013	Toby Hall	CEO, Mission Australia
15 August 2013	James O'Brien	State Manager, National Disability Services Victoria
25 September 2013	Angus Frith	Barrister at the Melbourne Bar (Native Title Law)
23 October 2013	Veronica Pardo	Executive Director, Arts Access Victoria
15 November 2013	David Seignior	Melbourne Program Director, Centre for Sustainability Leadership
21 February 2014	Paul Ronalds	CEO, Save the Children Australia
2 May 2014	Tracey Sawyer	Founder, Testigo Africa

Intranet

The ACNC intranet, ACNC One, was developed in response to staff feedback in the Engagement Survey. Designed in collaboration with representatives from each business area, the intranet has been progressively rolled out. It includes features such as announcements, individual team information and collaboration pages, and quick links to key resources. Each team has access to their information and content to allow them to update as required.

ACNC Advisory Board member remuneration

ACNC Advisory Board members are appointed by the Minister (the Assistant Treasurer) and remuneration is determined by the Remuneration Tribunal. Further information can be found on the Australian Government Remuneration Tribunal website at www.remtribunal.gov.au

Executive remuneration

The Commissioner's remuneration is determined by the Remuneration Tribunal. Other executive remuneration arrangements are within the Senior Executive Service (SES) guidelines set by the ATO and covered in its annual report.

Enterprise agreements and performance pay

ACNC employees are covered by the ATO's enterprise agreement and are therefore bound by its terms and conditions in relation to the performance review cycle and pay. These are reported in the ATO's annual report.

Work health and safety

ACNC employees are covered by the ATO's occupational health and safety processes. These are reported in the ATO's annual report.

Technology and systems

The ACNC's information and communications technology infrastructure and services are provided by the ATO, with the exception of ACNC's core business system (iMIS) and ACNC email exchange, which is hosted and managed by the software vendor, Advanced Solutions International in Melbourne.

Since the ACNC's establishment, the ATO has continued to provide back office support on a fee-for-service basis, outlined in a memorandum of understanding (MOU) with the ATO, including:

- provision of corporate systems for human resources, finance and staff management
- desktop computer support, including laptops and mobile phones
- procurement of hardware and software, to leverage off existing ATO contracts.

As with other corporate areas, the relationship between the IT areas of the ACNC and ATO are managed through an MOU.

The ACNC's iMIS core business system supports:

- a web content management system
- an online registration form
- a public Register
- the Charity Portal
- a customer relationship management system
- a file transfer protocol server.

Significant IT enhancements were delivered during the year, as outlined through this report.

Asset management

The ACNC has its own appropriation and operates for the purposes of the Financial Management and Accountability (FMA) Act as a 'program' of the ATO. Assets used by the ACNC are managed according to the ATO's established asset management processes.

Purchasing and consultancies

The ACNC makes decisions regarding its budget independently of the ATO. The goods and services required to support the ACNC's operations are purchased using ATO procurement processes in order to ensure compliance with the FMA Act. This includes consultancies, advertising, direct mail, media placement and market research activities. Details of these are included in the ATO's annual report.

Grants

Information on grants awarded by the ACNC during 1 July 2013 to 30 June 2014 is available at www.acnc.gov.au.

Information on grants awarded can also be found under *Research* of this report.

Disability reporting

Since 1994, Commonwealth departments and agencies have reported on their performance as policy adviser, purchaser, employer, regulator and provider under the Commonwealth Disability Strategy. In 2007–08, reporting on the employer role was transferred to the Australian Public Service Commission's State of the Service Report and the APS Statistical Bulletin. These reports are available at www.apsc.gov.au. From 2010–11, departments and agencies have no longer been required to report on these functions.

The Commonwealth Disability Strategy has been overtaken by the National Disability Strategy 2010–2020 which sets out a 10 year national policy framework to improve the lives of people with disability, promote participation and create a more inclusive society. A high level, two-yearly report will track progress against each of the six outcome areas of the Strategy and present a picture of how people with disability are faring. The first of these reports will be available in 2014, and will be available at www.dss.gov.au.

The ACNC website (www.acnc.gov.au) is our primary point of information and service delivery channel. This is supported by the Advice Services team, who are able to provide assistance over the phone or using the National Relay Service, to talk callers through any actions they need to take.

The ACNC has an ongoing emphasis on developing HTML content on the website where possible, as this is more accessible for people who use assistive technologies to use websites. This has been accompanied by the development of accessible web styling and formats to support access to page content.

Freedom of information

Ongoing work has occurred in developing an accessibility roadmap, which has allowed the ACNC to identify and implement areas of improvement, including working with its online suppliers to make product changes that will enable increased compliance with online accessibility guidelines. The ACNC also undertakes an ongoing program of usability and accessibility testing.

Website accessibility improvements have been accompanied by the development of education videos that use simple images, a voiceover and captions to provide information and guidance. These cover a range of topics, including help with completing the Annual Information Statement, and are suited to a range of users, providing alternative information formats for visitors to the website.

Short radio segments were recorded for Vision Australia Radio and the Radio Print Handicapped Australia Radio Reading Network (RPH Network), which promoted the ACNC Register, safe giving, and the Charity Portal. An editorial feature on safe giving was developed for distribution to intermediaries who work with audiences of people with disability, with a podcast for Vision Australia Radio using the same article.

Anecdotal feedback suggests that the ACNC has achieved a degree of success in this area, and we are committed to making ongoing improvements to suit the requirements of clients with varying needs. This includes educating staff on improved accessibility techniques when developing documents for charities in their daily work activities.

Under the *Freedom of Information Act 1982* (FOI Act), the ACNC is required to publish information as part of the Information Publication Scheme (IPS).

This requirement is in Part II of the FOI Act and has replaced the former requirement to publish a section 8 statement in an annual report. 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 at acnc.gov.au. The following improvements have been made to the IPS page during the year:

- the IPS entry has been modified to conform with the layout suggested by the Office of the Australian Information Commissioner
- information has been updated on the powers and functions of the ACNC following the commencement of the Australian Charities and Not-for-profits Commission Regulation 2013
- further information has been included on the appointment of certain officers including additional information about the advisory board
- a disclosure log has been included.

Following a review of the IPS in December 2013, the ACNC is updating its agency plan and reviewing procedures and policies associated with the IPS and the FOI Act more generally.

Wherever possible, the ACNC tries to make information available to the public outside of the formal FOI process. However, if a person wants to make an FOI request for access to documents held by the ACNC, they should:

- make the request in writing (email or post)
 - the ACNC is able to assist if an applicant has difficulty putting their request in writing
- state that the request is an application for the purposes of the FOI Act
- provide information about the document(s) being requested
- if asking for change or annotation of a document, provide information about the change or annotation being requested

- provide an address to enable the ACNC to respond.

FOI requests can be sent to the following address:

Freedom of Information Contact Officer
ACNC
GPO Box 9990
MELBOURNE VIC 3001

or by email to: advice@acnc.gov.au

During 2013–14 the ACNC received four requests for documents to be processed under the FOI Act. The following table summarises the content of the requests and the outcomes.

Table 4.7: FOI requests and outcomes, 2013–14

Details of Request	Outcome
Documents relating to a report prepared by external consultants for the ACNC.	Access to the report was refused on the basis that a conditional exemption applied. Documents which were relevant to the purpose of the report were provided.
Request for a list of public benevolent institutions (PBIs) registered by the ACNC since 1 January 2013 (excluding PBIs that have information withheld on the ACNC register).	A list was provided.
A request for an annual report and financial report for a particular charity.	The requested was refused on the basis that the ACNC did not have those documents.
A request for certain documents relating to a potential investigation by the ACNC into the affairs of a charity.	The request was refused and the ACNC did not confirm nor deny the existence of the investigation.

Appendices

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Appendix A: Compliance index

Requirements document reference	Description	Requirement	Section/page reference in the report
8(3) & A.4	Letter of transmittal	Mandatory	v
A.5	Table of contents	Mandatory	viii–x
A.5	Index	Mandatory	98–104
A.5	Glossary	Mandatory	96–97
A.5	Contact officer(s)	Mandatory	95
A.5	Internet home page address and Internet address for report	Mandatory	95
9	Review by Commissioner		
9(1)	Review by agency Commissioner	Mandatory	2–9
9(2)	Summary of significant issues and developments	Suggested	2–8
9(2)	Overview of agency's performance and financial results	Suggested	2–8
9(2)	Outlook for following year	Suggested	8
9(3)	Significant issues and developments – portfolio	Portfolio departments – suggested	Not applicable
10	Agency Overview		
10(1)	Role and functions	Mandatory	14–15
10(1)	Organisational structure	Mandatory	16–18
10(1)	Outcome and program structure	Mandatory	24–25
10(2)	Where outcome and program structures differ from PB Statements/PAES or other portfolio statements accompanying any other additional appropriation bills (other portfolio statements), details of variation and reasons for change	Mandatory	Not applicable
10(3)	Portfolio structure	Portfolio departments - mandatory	Not applicable
11	Report on Performance		

Requirements document reference	Description	Requirement	Section/page reference in the report
11(1)	Review of performance during the year in relation to programs and contribution to outcomes	Mandatory	26–70
11(2)	Actual performance in relation to deliverables and KPIs set out in PB Statements/PAES or other portfolio statements	Mandatory	26–70
11(2)	Where performance targets differ from the PBS/ PAES, details of both former and new targets, and reasons for the change	Mandatory	Not applicable
11(2)	Narrative discussion and analysis of performance	Mandatory	26–70
11(2)	Trend information	Mandatory	26–70
11(3)	Significant changes in nature of principal functions/ services	Suggested	Not applicable
11(3)	Performance of purchaser/provider arrangements	If applicable, suggested	Not applicable
11(3)	Factors, events or trends influencing agency performance	Suggested	26–70
11(3)	Contribution of risk management in achieving objectives	Suggested	73
11(4)	Performance against service charter customer service standards, complaints data, and the department's response to complaints	If applicable, mandatory	26–29
11(5)	Discussion and analysis of the agency's financial performance	Mandatory	Not applicable
11(6)	Discussion of any significant changes from the prior year, from budget or anticipated to have a significant impact on future operations.	Mandatory	Not applicable
11(7)	Agency resource statement and summary resource tables by outcomes	Mandatory	Not applicable
12	Management and Accountability		
	Corporate Governance		

Requirements document reference	Description	Requirement	Section/page reference in the report
12(1)	Agency heads are required to certify that their agency comply with the Commonwealth Fraud Control Guidelines.	Mandatory	Not applicable
12(2)	Statement of the main corporate governance practices in place	Mandatory	72–73
12(3)	Names of the senior executive and their responsibilities	Suggested	16–18
12(3)	Senior management committees and their roles	Suggested	72–73
12(3)	Corporate and operational plans and associated performance reporting and review	Suggested	72–73
12(3)	Internal audit arrangements including approach adopted to identifying areas of significant financial or operational risk and arrangements to manage those risks	Suggested	73
12(3)	Policy and practices on the establishment and maintenance of appropriate ethical standards	Suggested	73
12(3)	How nature and amount of remuneration for SES officers is determined	Suggested	79
	External Scrutiny		
12(4)	Significant developments in external scrutiny	Mandatory	74–75
12(4)	Judicial decisions and decisions of administrative tribunals and by the Australian Information Commissioner	Mandatory	74–75
12(4)	Reports by the Auditor-General, a Parliamentary Committee, the Commonwealth Ombudsman or an agency capability review	Mandatory	74–75
	Management of Human Resources		
12(5)	Assessment of effectiveness in managing and developing human resources to achieve agency objectives	Mandatory	76–79
12(6)	Workforce planning, staff turnover and retention	Suggested	76–79

Requirements document reference	Description	Requirement	Section/page reference in the report
12(6)	Impact and features of enterprise or collective agreements, individual flexibility arrangements (IFAs), determinations, common law contracts and Australian Workplace Agreements (AWAs)	Suggested	79
12(6)	Training and development undertaken and its impact	Suggested	78–79
12(6)	Work health and safety performance	Suggested	79
12(6)	Productivity gains	Suggested	76–78
12(7)	Statistics on staffing	Mandatory	76–78
12(8)	Enterprise or collective agreements, IFAs, determinations, common law contracts and AWAs	Mandatory	79
12(9) & B	Performance pay	Mandatory	79
12(10)-(11)	Assessment of effectiveness of assets management	If applicable, mandatory	81
12(12)	Assessment of purchasing against core policies and principles	Mandatory	81
12(13)-(22)	The annual report must include a summary statement detailing the number of new consultancy services contracts let during the year; the total actual expenditure on all new consultancy contracts let during the year (inclusive of GST); the number of ongoing consultancy contracts that were active in the reporting year; and the total actual expenditure in the reporting year on the ongoing consultancy contracts (inclusive of GST). The annual report must include a statement noting that information on contracts and consultancies is available through the AusTender website.	Mandatory	81
12(23)	Absence of provisions in contracts allowing access by the Auditor-General	Mandatory	Not applicable
12(24)	Contracts exempt from the AusTender	Mandatory	81
13	Financial Statements	Mandatory	Not applicable
	Other Mandatory Information		

Requirements document reference	Description	Requirement	Section/page reference in the report
14(1) & C.1	Work health and safety (Schedule 2, Part 4 of the <i>Work Health and Safety Act 2011</i>)	Mandatory	79
14(1) & C.2	Advertising and Market Research (Section 311A of the <i>Commonwealth Electoral Act 1918</i>) and statement on advertising campaigns	Mandatory	81
14(1) & C.3	Ecologically sustainable development and environmental performance (Section 516A of the <i>Environment Protection and Biodiversity Conservation Act 1999</i>)	Mandatory	91
14(1)	Compliance with the agency's obligations under the <i>Carer Recognition Act 2010</i>	If applicable, mandatory	Not applicable
14(2) & D.1	Grant programs	Mandatory	81
14(3) & D.2	Disability reporting – explicit and transparent reference to agency level information available through other reporting mechanisms	Mandatory	81–82
14(4) & D.3	Information Publication Scheme statement	Mandatory	82–83
14(5)	Correction of material errors in previous annual report	If applicable, mandatory	Not applicable
E	Agency Resource Statements and Resources for Outcomes	Mandatory	Not applicable
F	List of Requirements	Mandatory	86–90

Appendix B: Information provided to law enforcement agencies

Under Subdivision 150-C (section 150-40) of the *Australian Charities and Not-for-profits Commission Act 2012*, the ACNC may disclose protected information to an Australian government agency if:

- the ACNC is satisfied the information will enable or assist the Australian government agency to perform or exercise any of the functions or powers of the agency
- the disclosure is for the purposes of enabling or assisting the Australian government agency to perform or exercise any of the functions or powers of the agency, and
- the disclosure is reasonably necessary to promote the objects of this Act.

In the reporting period, the ACNC made 12 disclosures following requests from other regulators, law enforcement agencies and government departments.

Appendix C: Ecologically sustainable development and environmental performance

The ACNC's facilities, assets and IT environment are provided by the Australian Taxation Office (ATO) under various agreements, including financial arrangements. The ACNC adopts the ATO's environmental policies and its environmental performance is reported as part of the ATO's annual report.

Appendix D: Advisory Board principles of good charity regulation

Principles of good regulation

The Board has considered established principles of good regulation. It has reflected on the experience of the ACNC to date and the years of inquiry and consultation leading to the ACNC and reforms initiated over recent years. In light of these principles, the Board believes good charity regulation and administration would include the following features:

- independence of decision-making (free of sector, political or commercial influence)
- effectiveness and efficiency in achieving clearly defined policy goals
- clarity, transparency and accountability
- fairness and natural justice in decision making and administrative processes
- integrity and certainty
- proportionality, consistency and regulatory necessity
- understanding of, and respect for, the contribution of the sector
- integration, consistency and support of other laws, agreements and international obligations.

These principles are provided by the Board to the Commissioner and, through her, to help inform wider debate. They are expanded on below.

Application of principles to charity regulation

Good regulation should be independent in its decision-making

For any regulatory system to be effective and well respected, decision-making powers must be, and be perceived to be, exercised independently and impartially.

For charity regulation this means independent and impartial determination of charity status free of sector, political or commercial influence, and separated from any potentially conflicting government functions. This also includes being free of the influence of revenue considerations. Decisions should be based on the expert application of law to the evidence provided. Any conflicts of interest (apparent or actual) should be disclosed and managed.

Good regulation should be effective and efficient, in terms of addressing clearly defined policy goals

Charity regulation should increase public trust and confidence in the not-for-profit sector. Increasing the transparency and accountability of charities contributes to this goal by providing credible information on charities for the public to access.

The provision of a free online register of charities with up-to-date core information provides a reliable database on charities; their mission, activities and achievements. This helps promote trust and confidence by allowing the public to evaluate and compare charities, enables research and supports donors (including volunteers) and beneficiaries.

As taxation laws provide concessions for charities, another dimension of this policy goal is to ensure appropriate transparency and accountability for charities that benefit from tax concessions in order to protect public money.

Good regulation should be clear, transparent and accountable

Charity regulation should be clear, transparent and accountable. Any obligations placed on charities and those who run them should be easy to understand and clear. This is of particular importance for the charity sector – the majority of charities (and broader not-for-profit

sector) typically have less access to specialist advice and rely heavily on volunteers, often helping in their 'after hours' time.

The regulatory approach (how the law is applied and enforced) should be well understood, with a clearly articulated framework for exercising regulatory discretion. Decision-making and administrative processes should be transparent, reasoned and consistent.

Good regulation should be fair and just

Charity regulation should be fair and just. Enforcement of obligations should be based on a presumption that the vast majority of people involved in charities are honest and trying to do the right thing.

The emphasis should be on providing general information and support for charities so responsibilities are understood.

Administrative processes should reflect the principles of procedural fairness. Before decisions are made, there should generally be a reasonable opportunity to be heard. Decisions should be free of bias and open to challenge through administrative and judicial review.

Good regulation should have integrity and be certain

Good charity regulation should support and sustain charities in their charitable endeavours so they can best contribute to civil society. This can be done through a clearly articulated and well-understood regulatory framework that is administered by a regulator that acts consistently and is focussed on information, guidance and advice.

Given how highly specialised and technical the field of charity law is, the regulator should develop a pool of expert staff who are able to ensure accurate, timely and consistent decision making, as well as providing thought leadership.

Good regulation should be proportionate, consistent and necessary, always being mindful of the compliance burden imposed

A charity regulation framework that includes a charities register as a conduit towards a 'report once use often' model provides the springboard for reducing the red tape faced by charities. This model enables charities to report once to government in a way that avoids duplicative obligations to multiple agencies.

Good regulation does not impose any unnecessary burden on charities and their volunteers, and only imposes obligations to the extent necessary to achieve policy goals, such as supporting public trust and confidence in the sector.

Good regulation should be based on understanding of, and respect for, the sector

In order to be effective, regulation must be based on a deep knowledge and understanding of those being regulated, in this case of charities. This is more likely to occur if the regulator builds knowledge of, and respect for the sector.

In exercising regulatory discretion, regard needs to be had to the huge diversity in the charity and broader not-for-profit sectors. Charities and the public who volunteer and donate to them, want charitable resources to be used for delivering on services (their mission), rather than being wasted on satisfying unnecessary or duplicative regulatory obligations.

Good regulation should be integrated, consistent and supportive of other laws, agreements and international obligations

To avoid duplication and to meet international and other governmental obligations, charity regulation, like any type of regulation, must be integrated, and consistent with other laws and agreements.

Good regulation would encourage a nationally harmonised approach so that charitable activities and services can occur easily across jurisdictions, without any duplicative or inconsistent reporting or other regulatory obligations. Efficient regulation would provide a level playing field for the sector with that enjoyed by the business sector for more than a decade.

Beyond Australian borders, the effective regulation of charities and not-for-profits can play a significant role in ensuring the

sector is not being used as a vehicle for money laundering or terrorist financing. The Government, as a member of the international inter-governmental body – the Financial Action Task Force (FATF) – is committed to meeting FATF's international standards and recommendations. These recommendations require regulation of not-for-profits to be adequate by having the capacity to obtain timely and relevant information about not-for-profits.

Appendix E: ACNC reports and publications

New 2013–14:

My Charity and the ACNC – Guide to your charity's responsibilities to the ACNC

Basic religious charities – Is my charity a 'basic religious charity'?

Guide to the ACNC Charity Portal

Do you run a Not-For-Profit?

Governance standard guidelines

ACNC 6 month report

ACNC Annual Report

Measuring and reducing red tape in the not-for-profit sector

ACNC snapshot – One year on

ACNC compliance: An overview of the first year of compliance activity

Updated 2013–14:

ACNC factsheet – Regulation of charities across Australia

ACNC factsheet – About the ACNC

Governance for Good – The ACNC's guide for charity board members

Appendix F: ACNC policies

The ACNC develops a range of policies and procedures to support us in achieving our objects. The following policies and procedures are provided to guide charities and the public on how we make important decisions.

Commission policy statements

Commissioner's policy statements explain how the ACNC interprets approaches and administers the ACNC Act.

- Annual Information Statements Policy
- Choosing to revoke
- Reviews and appeals
- Registration
- Revocation
- Penalties
- Substituted accounting periods
- Group reporting policy
- Duty to notify – transitional
- Accepting other government reports

- Applying to keep charity size
- Complaints about charities
- Guidance and education policy
- Compliance and enforcement
- Non-binding preliminary view
- Decision making policy
- Withholding or removing information from the Charity Register

Corporate policies

- Linking to external material policy
- Privacy policy
- Use of ACNC data
- Policy framework
- Use of social media
- Complaints and compliments about the ACNC
- Freedom of information policy
- Information handling
- Delegation authorisation and signing

Appendix G: Contact details

Mail	Director Communications Australian Charities and Not-for-profits Commission GPO Box 5108 Melbourne VIC 3001
Phone	13 22 62
Fax	1300 232 569
Email	advice@acnc.gov.au
Website	acnc.gov.au
ACNC annual report	acnc.gov.au/annualreport

Glossary

AAT	Administrative Appeals Tribunal
ACNC	Australian Charities and Not-for-profits Commission
ACNC Act	<i>Australian Charities and Not-for-Profits Commission Act 2012</i> (Cth)
ACNC Consequential and Transitional Act	<i>Australian Charities and Not-for-profits Commission (Consequential and Transitional) Act 2012</i> (Cth)
AM	Member of the Order of Australia
Annual Information Statement	The form that charities use to report the required information to the ACNC
ASIC	Australian Securities and Investment Commission
ATO	Australian Taxation Office
Board	Advisory Board
CEO	Chief Executive Officer
Charity	A not-for-profit entity that exists for the public benefit and has a charitable purpose. Charitable purposes are specified as: relief of poverty, advancement of education, advancement of religion, health promotion, provision of child care services and other purposes beneficial to the community (see also Registered charity)
Charity Passport	A 'once-only' collection of information by the ACNC that other government agencies recognise as accurate; use for identification and data exchange; and accept to meet their reporting requirements, thus facilitating the ACNC's 'report once, use often' approach
Charity Portal	An online portal that enables registered charities to update their details and lodge reports with the ACNC
Charity Register	A freely available, interactive, online public database of information about the organisations registered with the ACNC
Charity subtype	The ACNC Act enables a charity to register one of seven specific charitable purposes known as subtypes
Commission	Australian Charities and Not-for-profits Commission
DSS	Department of Social Services
FOI	Freedom of information
FOI Act	<i>Freedom of Information Act 1982</i>
GDP	Gross domestic product
HTML	Hypertext Markup Language

IPS	Information Public Scheme
IT	Information technology
KPI	Key performance indicator
MOU	Memorandum/a of understanding
NFP	Not-for-profit
NGO	Non-government organisation
NSCOA	National Standard Chart of Accounts
ORIC	Office of the Registrar of Indigenous Corporations
PAES	Portfolio Additional Estimate Statement(s)
PBS	Portfolio Budget Statement(s)
Registered charity	A charity registered with the ACNC. Referred to in this report in context as a 'charity'
SES	Senior Executive Service
TEQSA	Tertiary Education Quality and Standards Agency
TIS	Translating and Interpreting Service

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