

2015-18 CORPORATE PLAN



Australian Government



Australian
Charities and
Not-for-profits
Commission

Message from the Commissioner

Charities and not-for-profits are a vital part of the Australian community and economy.

Charities enrich our culture, protect our environment, educate our children, enable us to practice our faith, promote our health and well-being, and strengthen our democracy.

Registered charities employ nearly one million people, manage over two million volunteers, and have a combined total income of more than \$100 billion per annum (Charities Report 2013).



The Australian Charities and Not-for-profits Commission (ACNC) is Australia's first independent national charity regulator. We were established under the *Australian Charities and Not-for-profits Commission Act 2012* (Cth) (ACNC Act) on 3 December 2012, after nearly two decades of lobbying by the sector, six significant inquiries and extensive consultation.

Over the past three years we have been working to implement our objectives and establish the ACNC as a regulator that the public and sector can trust will act fairly, transparently and responsively.

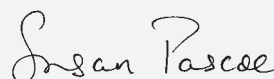
As we move out of our establishment phase, we are looking toward the future and the next steps we need to take to ensure we continue to deliver on our objectives.



Our vision is 'charities that inspire confidence and respect'. We aim to achieve this by promoting trust and confidence in charities, helping charities to meet their obligations and remain healthy, streamlining reporting and reducing red tape and providing freely available, accurate information about charities to the community.

This Corporate Plan covers the ACNC's next three years from 1 July 2015 to 30 June 2018 and sets out our organisational vision, mission, values and priorities. It builds on the work completed under our first corporate plan and is central to our governance and reporting framework.

We are committed to a corporate plan that supports the sustainability of the not-for-profit sector, enhances public trust and confidence in charities and ease the regulatory burden on them. This plan entrusts the regulator to provide responsive and useful services to charities and the Australian community.



Susan Pascoe AM
ACNC Commissioner

Legislative purpose and responsibilities

This Corporate Plan sets out the strategic direction for the Australian Charities and Not-for-profits Commission (ACNC) for the three year period and explains how it will meet its statutory obligations.

The ACNC is the independent regulator of charities at the Commonwealth level established by the ACNC Act on 3 December 2012. The ACNC Act gave the ACNC the following objects:

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

A not-for-profit organisation that wishes to access certain Commonwealth concessions (including tax concessions, exemptions and benefits) must first be registered as a charity by the ACNC. The ACNC provides a range of guidance material and help services to registered charities to assist them to understand their obligations under the ACNC Act, which includes ensuring they are able to meet core minimum standards of governance. The ACNC also looks into complaints against charities and initiates compliance action against charities that contravene the ACNC Act or governance standards.

The ACNC maintains a free public register of information about charities for the public, funders, donors and governments. The ACNC Charity Register enables charities to demonstrate transparency by publishing information in a central repository and it gives the public free access to information about individual charities and their governance. This information promotes the important contribution that charities make to Australian society and around the world and serves as a vehicle to promote and maintain public confidence in the charitable sector.

The ACNC works with other Commonwealth, state and territory government agencies to reduce red tape for charities. Our aim is to harmonise and simplify reporting for charities and align regulatory obligations.

This plan sets out our vision, values, mission and priorities. It builds on the work completed under our first corporate plan and is central to our governance and reporting framework. The following sections outline the ACNC's operating environment and provide details of the objectives, plans and strategies that govern our activities.



The ACNC's vision, mission, values and priorities

Our vision and mission inform the way that charities and the broader community can expect that we will engage and interact with them. They also establish the standards for ACNC staff. We uphold the Australian Public Service (APS) Values as set out in the *Public Service Act 1999 (Cth)*.

The ACNC's five key values align with the APS values, address the unique aspects of our business and environment, and guide us in how we conduct ourselves in carrying out our role. We are also committed to the regulatory principles of regulatory necessity, reflecting risk and proportionate regulation. Our values as represented in Attachment 1 underpin our regulatory approach and the way we perform our work.



Vision

Charities that inspire confidence and respect



Values

- Fairness
- Accountability
- Independence
- Integrity
- Respect



Mission

The national independent regulator of charities working to:

- Promote trust and confidence in charities
- Help charities to meet their obligations and remain healthy
- Streamline reporting and reduce red tape
- Provide freely available, accurate information about charities to the community



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

Regulatory environment

The ACNC operates in a dynamic environment. Australia's charitable sector is large and diverse, covering activities and services in areas such as health, social services, education, emergency relief, international development, arts and culture, environment, animal welfare, human rights and religious practice.



Charities make a significant contribution to our community employing over 900 000 people and contributing \$100 billion to gross domestic product. Approximately 2 million Australians volunteer with charities and donate billions to the sector. In the 2014–15 financial year the ACNC registered 2 558 new charities and since we were established we have removed over 9 000 charities from the Charity Register as they were no longer operating or did not meet their ongoing legal obligations to remain eligible to be registered.

The ACNC is an independent statutory decision-maker but remains accountable to the Commonwealth Government and Parliament for the way in which it performs its functions and its use of resources in performing them. The ACNC provides the Assistant Treasurer, as the Minister responsible for the ACNC, with annual reports for tabling in Parliament under section 130 of the ACNC Act. The report evaluates the ACNC's overall performance and how it has worked towards its objects each year.

The effective performance of the ACNC is underpinned by collaborative relationships across government. The ACNC provides advice and

input into policy development that will reduce red tape and duplicative reporting for charities. The ACNC will continue to focus on red tape reduction by working with other agencies to reduce unnecessary and duplicative administrative requirements imposed on charities and minimising our own regulatory requirements where possible. ACNC requirements will be contained to the minimum necessary to continue to build the Charity Register and maintain public trust and confidence in the sector.

The ACNC also works in close partnership with other agencies that have regulatory responsibilities relating to charities including sharing relevant information, intelligence gathering and referring matters for law enforcement. The ACNC will continue to work with other regulators and enforcement agencies to ensure the most appropriate agency deals with an issue relating to a registered charity. Some of the other agencies that ACNC liaises with include the:

- Australian Taxation Office (ATO)
- Australian Business Register (ABR)
- Australian Securities and Investment Commission (ASIC)
- Office of the Registrar of Indigenous Corporations (ORIC)
- Australian Federal Police and state and territory police
- Australian Transaction Reports and Analysis Centre (AUSTRAC)
- Attorney-General's Department
- state and territory government revenue agencies, and
- state and territory government agencies responsible for registering incorporated associations and fundraising licensing.

Customer and stakeholder engagement

The ACNC is committed to actively engaging with charities, peak bodies and professional advisers across Australia.

We appreciate the diversity of the charitable sector, aim to understand its governance challenges and the complexity of its relationships with all levels of government. Much of our engagement with charities is online through regular Commissioner Columns, quarterly newsletters, social media, our website, and by email and telephone contact with our Advice Services team. We also provide opportunities for stakeholders to speak directly to the ACNC via a range of forums and events.

Engagement

The approach of the ACNC is founded on respect for charities and those who work with and for them. We listen to and work with charities. We recognise the unique nature and diversity of charities, and respect the autonomy of charities. As the national regulator of charities the ACNC is committed to ongoing engagement with stakeholders across Australia. The ACNC aims to provide opportunities for different groups to engage with us and provide input into our service design. We are committed to face-to-face consultation and collaboration with peak bodies, advisers and other key stakeholders. We have a stakeholder engagement strategy, including regular consultative forums with charities around the country and quarterly with the Professional User Group and the Sector User Group convened to ensure issues of relevance to charity advisers and charities are taken into account.

Providing support

The ACNC provides general advice, guidance and education to help charities understand and meet their obligations and to help organisations wishing to register as charities to understand the requirements for registration. Our advice and guidance is provided through a multi-channel service that aims to be accurate, timely and accessible. We run education sessions, often delivered in partnership with peak bodies, to help charities comply with the ACNC Act. The ACNC is committed to the continuous improvement of its services and values feedback on its performance.

More broadly the ACNC provides support to the charitable sector by analysing the information charities provide to the ACNC and publishing comprehensive reports on charities that can inform policy-making and demonstrate the contribution charities make to the community.





Fair procedures

ACNC procedures for registration and regulation are underpinned by principles of procedural fairness.

If we think there are problems with an application for registration or a registered charity, we will generally give charities information about our concerns and a reasonable opportunity for self-correction, mindful of the size of the charity and its capacity to respond. In serious cases, we will generally allow a charity a formal opportunity to respond in writing and to get legal representation. We will make efforts to minimise disruption to a charity when investigating complaints or concerns.

When we make a decision, we will give written reasons for that decision to the individuals and charity affected. We will tell the charity or person affected how they can seek review of a decision.

Proportionality and consistency

A risk-based approach will be taken where problems have been identified with the management of charities. We will assess the seriousness and risk of a concern within the context of maintaining, protecting and enhancing public trust and confidence. Our approach means we begin from the premise that most charities are honest and aim to positively achieve their purposes and meet their obligations. Strong action will be taken if it is required to resolve serious misconduct and mismanagement. The ACNC makes decisions according to published policies and procedures to ensure consistency. Attachment 2 sets out our regulatory approach.

Reducing red tape

The ACNC recognises the diversity within the charitable sector and that to enable charities to deliver their charitable purposes effectively and efficiently their important relationships with governments must be characterised by ease of interaction and minimal red tape. The ACNC actively engages with Commonwealth, State and Territory Governments to work towards harmonisation of legislation and the reduction of duplicate reporting requirements for charities. Building a publicly accessible and full database of registered charities will enable the ACNC to share information about charities electronically with other authorised government agencies via the Charity Passport. As government agencies begin to use the Charity Passport, the reporting burden on charities will be reduced as charities will only have to report once to the ACNC, who will enable access to other agencies authorised to receive it. The data we collect will also be available to researchers to undertake analysis of the charitable sector and produce reports showcasing the contribution of charities to the Australian community. The ACNC, in partnership with professional research bodies, releases research reports each year analysing the information charities supply when they register and when they submit their Annual Information Statements (AIS).

Strategic priorities

The ACNC administers the ACNC Act and the *Charities Act 2013 (Cth)*. Our vision of charities that inspire confidence and respect will be pursued through four strategic priorities identified for the period 2015–18 that will enable us to work towards achieving the objects set out in the ACNC Act.

Priority 1: Maintaining and enhancing public trust and confidence in charities

Strategic goal	Outcomes	Critical Success Factors
1.1 To develop a fully populated Charity Register with usable, accessible and accurate data	Charities meet their reporting obligations under the ACNC Act	<ul style="list-style-type: none"> 100% of the largest 1500 charities (which account for 80% of the sectors total revenue) complete their AIS submissions by the due date 95% of all charities complete their AIS There is a 10% annual increase in AIS submissions being completed by the due date
	The Charity Register contains only charities that are entitled to be registered	<ul style="list-style-type: none"> 100% of charities that are no longer entitled to be registered are removed from the Charity Register
	The charity register is populated with complete and correct information by charities	<ul style="list-style-type: none"> 60% of charity records are examined and validated and identified errors are corrected Charities holding 80% of charitable assets of registered charities are audited The ACNC undertakes an education campaign each year that contributes to reducing common reporting errors and ensuring charity data is kept up-to-date
	The Australian public are aware of and use the Charity Register as a primary source of information about charities	<ul style="list-style-type: none"> Charity Register use increases by 20% each year The public trust and confidence survey results show an increasing level of awareness of the ACNC for each release
	The data collected by the ACNC from charities is used by government, researchers and charities	<ul style="list-style-type: none"> The ACNC provides charity data updates to government agencies automatically via the Charity Passport Current open source data on charities is up to date and available on data.gov.au The ACNC analyses charity AIS data each year and releases at least one report to the public.
1.2 To enhance the public-facing Charity Portal so that charities can securely report and update their details	Charities can complete all reporting requirements with minimum effort and maximum accuracy	<ul style="list-style-type: none"> All high volume transactions can be completed online Complaints about using the charity portal are reduced by 50% Improving smart form capability and guidance to reduce reporting errors by 50%

<p>1.3 To deliver transparent and proactive regulation to manage risk and maintain the sector's reputation</p>	<p>Charities are able to understand and complete the registration process in a timely way with minimum need to additional professional support and only charities that are eligible are registered.</p>	<ul style="list-style-type: none"> • ACNC decision-making processes and decisions are transparent and consistent • Registration applications are processed within the agreed service standards • A list of newly registered charities is published on the ACNC website each month
	<p>Our graduated approach to compliance provides charities a chance to address concerns whilst dealing with cases of serious misconduct quickly and firmly</p>	<ul style="list-style-type: none"> • Compliance processes complaints according to the agreed service standards published on the ACNC website. • The ACNC publishes all compliance-related policy statements and operational procedures on its website • An independent audit of the ACNC Compliance function is completed
<p>1.4 To ensure the ACNC is recognised as the national regulator of charities and a credible source of charity information</p>	<p>The ACNC is recognised as an effective regulator and a point of expert knowledge on charities</p>	<ul style="list-style-type: none"> • The public trust and confidence survey finds increasing recognition of the ACNC and its role • Usage of the ACNC website increases by 50% • Social media engagement increases by 50% • ACNC is sought out as an authoritative voice on issues arising in the charitable sector • ACNC media releases are published in national, state and local media

Priority 2: Supporting charities to be healthy and sustainable

Strategic goal	Outcomes	Critical Success Factors
<p>2.1 To provide tailor-made, timely, accurate and accessible education and advice services to ensure charities understand their legal and regulatory obligations and can comply</p>	<p>The ACNC advice services, education and guidance materials meet charity needs and is delivered "just in time"</p>	<ul style="list-style-type: none"> • Stakeholders are engaged in identifying and designing their support service needs • Education materials are developed in response to issues identified through stakeholder engagement and information gathered through the registration process, advice service and compliance activities • Staff training incorporates sessions on current and upcoming sector issues • Enquiries are responded to within the agreed service standards published on the ACNC website • Advice Services quality assurance reviews of advice provided by staff meet a 75% or higher rating. The rating reviews accuracy, timeliness, responsiveness and integrity • Targeted guidance is developed to meet the needs of identified target groups (eg. those with a particular legal structure or size, charities from a specific sub-sector, or charities not complying with a specific obligation) • ACNC establishes signposting, and referral pathways to enhance charities governance capacity and address issues as they arise

<p>2.2 To analyse and report on charity data to demonstrate the contribution of the sector to the Australian community and identify sector trends</p>	<p>Data about the contribution of Australian charities to the community is available for governments, funding bodies, charities and the public</p>	<ul style="list-style-type: none"> • ACNC business intelligence tools are developed by IT to support data analysis • Analysis of charity AIS submissions is completed and published each year • Details of newly registered charities are published on the ACNC website each month
<p>2.3 To develop technology driven services which support the Commonwealth Government's digital agenda and make it easier for people to transact with the ACNC</p>	<p>The ACNC's online services are easy to use and accompanied by clear guidance and support services</p>	<ul style="list-style-type: none"> • Charities can complete all high volume transactions with the ACNC online • The registration application form is reviewed, user tested and implemented and results in a reduction in the need to request additional information from charities before processing an application • User survey results indicate customers are satisfied with the completion of the registration form • An online, prefilled AIS is developed each year with accompanying guidance • Charities are sent timely reminders about their reporting obligations • Charity reporting errors are reduced by 50%
	<p>The ACNC's IT systems support customer access and use of a 'digital by default' customer service framework</p>	<ul style="list-style-type: none"> • Charity Register is re-designed, user tested and implemented with improved useability, functionality presentation of data, speed and search function • AIS is designed and implemented each year incorporating functional improvements

Priority 3: Making it easier for charities by driving regulatory and reporting simplification

Strategic goal	Outcomes	Critical Success Factors
<p>3.1 To ensure a high take up of the Charity Passport by government departments to drive red tape reduction</p>	<p>Government agencies requiring information from charities use the Charity Passport to eliminate duplicative reporting</p>	<ul style="list-style-type: none"> • Agency data is mapped and data models created to enable a Charity Passport road map • Memorandum of Understanding (MOU) with Commonwealth agencies are developed and implemented • Duplicative reporting requirements imposed on charities are reduced by 50% • Government agencies using the Charity Passport increases by 50%
<p>3.2 To establish agreements with each state and territory on harmonisation and to harmonise regulatory and reporting obligations</p>	<p>Regulation of charities is harmonised across Commonwealth, State and Territory Governments</p>	<ul style="list-style-type: none"> • Agreements with each state and territory are developed to work towards harmonisation and alignment of: <ul style="list-style-type: none"> – incorporated associations legislation – fundraising – state taxation and charity definition.

<p>3.3 To support the adoption of sector specific accounting standards to drive regulatory simplification</p>	<p>The ACNC consults with key stakeholders about sector specific accounting standards</p>	<ul style="list-style-type: none"> • Consultation on the adoption of sector specific accounting standards is undertaken with key stakeholders
<p>3.4 To take a leadership role in best practice charity regulation nationally and internationally</p>	<p>The ACNC participates in regulatory communities of practice, publishes articles and undertakes public speaking engagements on charity regulation</p>	<ul style="list-style-type: none"> • Convene a national compliance community of practice with commonwealth, state and territory regulators • Participate in the Department of Prime Minister and Cabinet's regulators communities of practice for regulation and red tape reduction and comply with the Regulator Performance Framework • Undertake research into red tape reduction for charities • Publish five articles each year in relevant publications about charity regulation • Deliver at least 12 speaking engagements each year at relevant professional forums and conferences
<p>3.5 To simplify and streamline reporting for charities in highly regulated sectors</p>	<p>Reporting for charities in the highly regulated education, health, aged care and disability sectors is simplified and duplication eliminated wherever possible</p>	<ul style="list-style-type: none"> • Complete an analysis of reporting requirements for highly regulated sectors • Implement streamlined reporting through the AIS and data transfer arrangements

Priority 4: Developing an independent, transparent and well governed organisation which is enhanced by a positive internal culture

Strategic goal	Outcomes	Critical Success Factors
<p>4.1 To be a well-governed transparent organisation</p>	<p>The ACNC is a best practice example of a well-governed Commonwealth regulator</p>	<ul style="list-style-type: none"> • The review of the operation of the ACNC Act demonstrates the ACNC is making positive progress towards delivering its objects • The employee census results improve each year it is conducted • The ACNC has a robust transparent planning cycle that ensure the ACNC's work is aligned with achieving its objects • The ACNC is efficient, effective, economical and ethical in its use of Commonwealth resources as governed by the <i>Public Governance Performance and Accountability Act 2013</i> (Cth)
<p>4.2 To develop and maintain a high calibre workforce that can effectively deliver the ACNC strategic priorities</p>	<p>The ACNC has a workforce plan focused on recruiting and retaining high calibre staff</p>	<ul style="list-style-type: none"> • Workforce planning is aligned with business and financial planning cycles • The ACNC/ATO MOU supports the delivery of efficient and effective HR services • Critical job role vacancies are identified and filled with job ready recruits • External workforce supply is utilised to meet demand during peak work periods • The ACNC culture is aligned with APS Values and Code of Conduct • Develop and implement a rewards and recognition program

The ACNC has a workforce that is well prepared to execute its roles with professional competence

- The ACNC is structured in the most effective and efficient way to deliver its core functions and priorities
- A learning and development strategy incorporating the job lifecycle is developed and implemented
- The ACNC has staff with the skills and capabilities to deliver its core functions and priorities
- Staff have performance plans aligned to the ACNC strategic and business plans

4.3 To improve IT systems so that they are fit for purpose and support the internal business clients

The ACNC IT systems support effective and efficient service provision, processes, and record keeping that is compliant with public sector requirements

- Staff portal is designed and implemented and improves useability and system speed for staff
 - Cloud hosting solution with a dedicated ACNC network is implemented to improve system performance
 - A fit for purpose document management system is procured and implemented
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Attachment 1: ACNC values underpinning our regulatory approach

The ACNC uses its powers in accordance with the values outlined in this plan in a way that reflects both the risks and the evidence before us. In exercising our powers and functions, we have regard to the matters specified in Section 15-10 of the ACNC Act, including the regulatory principles of regulatory necessity, reflecting risk, and proportionate regulation. The ACNC's regulatory approach reflects our five key values of: Fairness, Accountability, Independence, Integrity and Respect (FAIRR). Integrity is central to our values and work.

ACNC values



Attachment 2: Our regulatory approach

The regulatory pyramid summarises the ACNC’s regulatory approach. Our approach is to begin at the bottom of the pyramid by providing information, guidance and advice and move upwards only when circumstances require it. Our regulatory approach is to take the appropriate action required to address the issue. If a lesser option does not resolve the issue at first, we will take progressively stronger action until the issue is resolved.

Regulatory pyramid of support and compliance



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