



Australian Government



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

2012–15  
STRATEGIC PLAN





## INTRODUCTION BY THE COMMISSIONER

Charities and not-for-profit (NFP) organisations are an essential part of the fabric of Australian society and reach into every community across Australia, as well as beyond our shores. They enrich our culture, protect our environment, educate our children, enable us to practice our faith, promote our health and well-being, strengthen our democracy, contribute to good public policy and advocate on behalf of individuals and communities. Australians are rightly passionate about NFPs and the contribution they make to the health of the community and the quality of individual lives. NFPs are sustained and underpinned by high levels of public trust and confidence.

The NFP sector comprises around 600,000 entities and accounts for nearly 5 per cent of GDP, growing at around 8 per cent per year. This sector is second only to mining in relative growth terms. NFPs provide 8 per cent of all jobs in Australia. Over the last 17 years there have been several reviews into the regulation and taxation of the NFP sector in Australia. These have included the 2010 Productivity Commission *Report on the Contribution of the Not-for-profit Sector*. A consistent theme throughout these reviews has been that the regulation of the NFP sector would be significantly improved by establishing a national regulator and harmonising and simplifying the regulatory framework. As part of the 2011–12

Budget, the Government announced the first stage of an ambitious reform agenda for the NFP sector. A central component of this agenda has been the establishment of the Australian Charities and Not-for-profits Commission (ACNC) as a ‘one-stop-shop’ regulator.

This Strategic Plan covers the ACNC’s first three years from 2012–15 and sets out our organisational vision, mission and values. These are derived from the objects and functions in The Australian Charities and Not-for-profits Commission Act 2012 (Commonwealth) (*The ACNC Act*). We have also set out our priorities for the next three years. Our approach will be open, inclusive, tailored and respectful of difference and accessibility needs.

ACNC staff are committed to developing a Commission that charities and the public can have confidence in, and that will act fairly, transparently and responsively. We are committed to improving the regulatory framework for charities, reducing red tape and supporting a sustainable, innovative and independent charitable and NFP sector.

*Susan Pascoe*

**Susan Pascoe, A.M.**

## The ACNC's role

The Australian Charities and Not-for-profits Commission (ACNC) was established by *The ACNC Act* which was passed by Parliament on 1 November 2012. The ACNC is the new Commonwealth level regulator for the NFP sector and it came into existence as an independent statutory office on 10 December 2012.

The objects of *The ACNC Act* are to:

- maintain, protect and enhance public trust and confidence in the Australian NFP sector;
- support and sustain a robust, vibrant, independent and innovative Australian NFP sector; and
- promote the reduction of unnecessary regulatory obligations on the Australian NFP sector.

During the period of this Strategic Plan the ACNC will only be regulating charities. NFPs that are not charities may find advice and guidance on our website that is useful to them, but they will have no regulatory oversight by the ACNC.

Registration with the ACNC is voluntary for a charity, however it must be registered with us if it wishes to access certain Commonwealth concessions including tax concessions, exemptions and benefits. Charities that receive Commonwealth tax concessions at 10 December 2012 will automatically be registered with the ACNC.

The ACNC will maintain a freely available public register of charities that will provide a range of information for the public, donors, funders and governments on Australian charities. This will make it easier for people to learn about the charitable sector in Australia and the contribution that it makes to society and the economy. It will help to promote and maintain public confidence in the charitable sector.

### ACNC values

The ACNC's five key values are:

- fairness
- accountability
- independence
- integrity
- respect.

These values underpin everything we do and are demonstrated by our day to day behaviour. We are also committed to the regulatory principles of proportionality, reflecting risk, transparency, fairness, timeliness and consistency. The assumptions underpinning these values and their impact on workplace culture and behaviour are outlined in **Attachment 1**.

The ACNC will **maintain a freely available public register** of charities that will provide a range of information for the public, donors, funders and governments on Australian charities.

## The ACNC's vision, mission, values and priorities

Our vision and mission inform the way we engage and interact with charities and the community. They also set the standards for ACNC staff.

### 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

### 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

## ACNC's Approach

We work hard to be experts in our field and to use our expertise to help charities and the public.

### ACNC culture and work practice

#### Providing support

The ACNC's emphasis is on providing general advice, guidance and education to help charities to meet their obligations, as *The ACNC Act* requires. Our education and advice teams will provide useful and timely guidance and advice using a variety of methods, including through written, verbal or face-to-face engagement. This support will be timely and accessible to different audiences. Our approach draws upon the existing work and resources of relevant bodies.

#### Fair procedures

ACNC's procedures for registration are underpinned by principles of fairness. Staff have been trained to look at the registration application as a whole and will contact the proponent if some information is unclear or is missing.

If we think there are problems in a 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 reasons for that decision to the individuals and charity affected. We will tell the charity or person affected how they can challenge the decision.

#### Proportionality and consistency

A risk-based approach will be taken to address problems in charities. Before we take any action, we will consider if any lesser action can address the problem.

We will assess the seriousness of the risk or concern by examining, in a holistic way, factors including: what or who is at risk; the type of problem; the likelihood that the issue will arise or recur; the potential impact of the issue; the risk profile of the charity; and the behaviour of those on the governing body. We will consider these factors in light of the object of maintaining, protecting and enhancing public trust and confidence, and the objects of any other relevant laws.

We will design processes to promote consistent decision-making across the organisation in keeping with relevant laws.

A significant feature of our approach will be collaboration with other regulators, including State and Territory regulators. We will develop processes and relationships so that the right regulator deals with the regulatory issue involved. Where appropriate we will refer the matter to another agency.

The ACNC begins from the conviction that most charities honestly seek to meet their commitments, so our focus is on supporting them by providing advice. We will take a graduated, evidence and risk-based approach to regulation. The regulatory pyramid of support and compliance in **Attachment 2** represents our approach. Most of our compliance activity will be focussed at the bottom of the pyramid on education, guidance and advice and will move in a graduated way up the pyramid, with sanctions being reserved for serious misconduct and mismanagement for the small minority of charities where there is evidence of serious wrongdoing.



### Engagement

The ACNC is committed to ongoing engagement with interested groups and individuals across Australia, mindful that we are a national regulator. We recognise the size, diversity and needs of the NFP sector, and the complexity of its relationship with governments at both Commonwealth and State levels.

We will build and maintain strong relationships and establish a stakeholder engagement framework which will identify the different groups with whom we will need to interact.

The ACNC's interactions with the public and the sector will be primarily online and through our phone advisory service. We will provide consistent service Australia wide through various channels, including:

- our website and social media platforms,
- by phone,
- in fact sheets and publications,
- through postal and e-mail correspondence,
- engagement with the media, and
- through face to face consultation and collaboration with peak and professional bodies.

Information will be provided to support culturally and linguistically diverse (CALD) communities with translations and ethnic media being part of our communication strategy.

### Reducing red tape

The ACNC will place a strong and continuing focus on reducing unnecessary regulatory and reporting requirements. We will work with the Commonwealth, State and Territory Governments to harmonise legislation and processes to reduce the reporting and regulatory burden for the benefit of charities to complement the work of the Council of Australian Governments (COAG) NFP Reform Working Group.

'Report once, use often' means that the ACNC becomes a data repository for recognised government agencies dealing with charities.

The ACNC will build Australia's first comprehensive database of charities. We will provide reliable information and advice to government on the charitable sector, the needs of charities and the needs of the public in supporting charities. The ACNC will collaborate with researchers to promote valid and robust analysis of its data and will provide an Annual Snapshot of the sector.

**Report once, use often means that the ACNC becomes a data repository for recognised government agencies dealing with charities.**

## Strategic Priorities

The ACNC administers *The ACNC Act* and implements its objects. We have four related strategic priorities for the period 2012–15 that will enable us to deliver on our vision and mission.

### Maintaining and enhancing public trust and confidence in charities

Charities rightly command high levels of public trust and confidence. This trust underpins volunteering, charitable giving and broader public support. Whilst confidence is high, it can easily be undermined by instances of mismanagement and misconduct.

We are living within a culture of increased financial and public accountability. The expectations of a better informed, educated and technologically competent community require greater transparency. Most donors want to know that charities are accountable, trustworthy and transparent in their operations.

Our priority is to help maintain, protect and enhance public confidence in the NFP sector.

We will achieve this by:

- Establishing an interactive, online public register which will provide free access to information about charitable activities and the contributions made by charities to Australian society.
- Providing a consistent registration service that will ensure that organisations that meet the legal definition of being a charity are registered.
- A graduated regulatory approach for dealing with complaints about organisations and addressing concerns about charities that are non-compliant. The public should be able to expect that charities will be well governed and that deliberate and wilful misconduct and mismanagement will be addressed.
- Administering *The ACNC Act* in accordance with the Statement of Ministerial Intentions, the Explanatory Memorandum to *The ACNC Act* and our stated approach.
- Building public awareness of the ACNC, its role and activities.
- Communicating key information on the charitable and NFP sector including its contributions and benefits.

### Supporting charities to be healthy and sustainable

Australians by nature are giving people, regularly ranked as one of the most generous peoples on earth. Out of a population of 22 million, 4.6 million Australians regularly volunteer their time, and Australians also donate around \$2 billion directly to charities each year.

There are a number of issues that currently affect the sector's ability to maximise its potential, including changing relationships with government and the private sector, current workforce pressures, complex and changing policy landscapes and access to funding and financing.

The ACNC will support the health and sustainability of the charitable sector in part through two of its other strategic priorities, maintaining and enhancing public trust and confidence as well as reducing the regulatory burden. It will further support the NFP sector by promoting good governance, providing advice, guidance and education, and by providing a point of interaction between charities and government.

The public, charities and other stakeholders can expect to be able to access our services, find information easily and receive expert advice. Our ambition is to provide a timely, high quality and user-friendly experience in all our interactions. We will set service standards and continuously review our processes to ensure we meet our regulatory obligations and the expectations of our customers.





We will achieve this by:

- Providing tailor-made guidance, education and advice services to support the sector.
- Drawing on our expertise and knowledge of the sector to provide information that supports charities to meet their obligations and become more sustainable.
- Actively and openly engaging with our stakeholders to better understand their issues and focus our capability on those challenges where our support can help the most.
- Recognising the size, diversity and needs of the NFP sector and the complexity of its relationship with governments.
- Providing excellent customer service that is accessible and supports the diverse needs of our stakeholders.
- Building a public-facing information portal that can also be used by charities to securely access and exchange information.

### Making it easier for charities by driving regulatory and reporting simplification

The current regulatory framework for NFPs and charities is uncoordinated, complex and costly. Many charities report to Commonwealth, State and Territory governments, as well as regulators and funders. This regulatory burden reduces the resources available for charities to achieve their core purposes and their valuable contribution to society.

Reducing unnecessary regulatory burden on charities is an essential measure of the ACNC's success. We will work across Commonwealth, State and Territory governments and their regulators to achieve regulatory and reporting simplification.

As part of a 'report once, use often' framework, we will develop the Charity Passport that contains key information that charities regularly have to provide to governments. This will reduce red tape when charities report just once to government, via the ACNC, and other government agencies access that information from the ACNC.

The ACNC portal will also reduce the effort required by the public to find information on charities, saving time taken to access and compare information on individual charities. Our customers can be confident that the information we collect and publish is valid, up to date and reliable.

We are committed to achieving observable and measurable outcomes in driving regulatory and reporting simplification.

We will achieve this by:

- Developing a 'report once, use often' framework and the Charity Passport at the Commonwealth level, and with interested State and Territory Governments.
- Developing a Financial Reporting framework (including an Annual Information Statement) that addresses the reporting requirements of other government agencies and provides information for the Charity Passport.
- Contributing to the work of the Council of Australian Governments and the Commonwealth Government on reducing the regulatory burden.
- Building the information available on the information portal including aligning the Standard Chart of Accounts with Standard Business Reporting.
- Working with charities to streamline reporting by charity type.
- Engaging and working with State and Territory regulators to minimise regulatory duplication.



ACNC senior team, from left to right: Jon Reid, Colleen Carney, Sue Woodward, Andrew Sealey, Rachel Smith, David Locke, Susan Pascoe, Murray Baird, Sally Stonier, Jennifer Dobell, Jan Sharrock, and Shirley Southgate.

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

The ACNC is establishing a new organisation with robust systems and processes to support staff and ensure excellent customer service. We will build a well-governed organisation with a culture of continuous improvement.

We aspire to be recognised as a centre of expertise, professionalism and excellence. Critical to this is all staff adopting a positive and high performing internal culture. Our leadership is committed to developing, motivating and supporting our staff through training, learning and development and robust knowledge-sharing practices.

As a publicly funded organisation, we will ensure our resources are used efficiently and deliver value for money. We will adopt corporate and governance standards supported by a robust risk management framework. We will exercise financial prudence and ensure we are transparent through timely reporting of performance. Our planning, financial and reporting frameworks will clearly communicate ACNC priorities, performance and how we achieve success. We will communicate our results clearly through annual reports, an independent audit, reporting to the Advisory Board, and publicly on our website.

**We aspire to be recognised as a centre of expertise, professionalism and excellence.**

We will achieve this by:

- Robust planning, reporting and business management frameworks to ensure we operate efficiently and deliver value for money.
- Monitoring, evaluating and reporting our performance against industry best practice.
- Establishing people strategies incorporating culture, learning and development to support a high performing organisation.
- Promoting and role modelling our values and behaviours.
- Building and maintaining high levels of staff engagement and enablement.
- Commitment to diversity.
- Being socially and corporately responsible.
- Building reliable infrastructure and systems to support our organisation and customers.
- Keeping pace with changes in IT and building these into our systems.
- Enabling efficient work and knowledge sharing practices.

## 2012–15 Overview of Priorities

3 yr 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
<b>What we want to be</b>	<p>A well recognised and effective agency.</p> <p>A supportive regulator that commands the respect and trust of the NFP sector and the public.</p>	<p>A customer-centric organisation.</p> <p>Recognised as experts on charity law and governance.</p>	<p>Proactive to reduce regulatory burden.</p> <p>Add value to the NFP sector.</p>	<p>An efficient, innovative and high performing organisation.</p>
<b>Critical success factors</b>	<ul style="list-style-type: none"> <li>■ A public register that is user-friendly, provides free access and up to date information about charities</li> <li>■ Information about charities is made available that increases transparency and trust in the NFP sector</li> <li>■ Providing an accessible, fair and independent registration service that reflects changes as determined by <i>The ACNC Act</i> and Government</li> </ul>	<ul style="list-style-type: none"> <li>■ We draw on our expertise and knowledge of the sector to support charities meet their obligations and become more sustainable</li> <li>■ We provide services and products that identify and disseminate good practice in meeting the challenges facing NFPs</li> <li>■ Actively engaging with our stakeholders to better understand the issues and focus our capability on those challenges where our support can help the most</li> </ul>	<ul style="list-style-type: none"> <li>■ Provide a 'one-stop-shop' where charities can complete a number of transactions</li> <li>■ A financial reporting framework that addresses the reporting requirements of other government agencies and provides information for the Charity Passport</li> <li>■ Developing strong working relationships to deliver a 'report once, use often' reporting framework to enable measurable reduction in unnecessary administrative requirements</li> </ul>	<ul style="list-style-type: none"> <li>■ We operate efficiently and demonstrate value for money</li> <li>■ Performance against standards and comparable industry benchmarks</li> <li>■ We are transparent and provide reliable information to government and our stakeholders</li> <li>■ Implementing robust and clear management decisions</li> <li>■ Capability to manage change and continuously improve</li> <li>■ Promoting and modelling our values and behaviours</li> </ul>

2012–15 Overview of Priorities *Continued*

3 yr 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
	<ul style="list-style-type: none"> <li>■ We design processes to promote consistent decision-making across the organisation in keeping with relevant laws (assurance and procedural fairness)</li> <li>■ A sound regulatory framework that is fair, consistent and objective</li> <li>■ Administering <i>The ACNC Act</i> in accordance with the Statement of Ministerial Intentions, the Explanatory Memorandum and our stated approach</li> <li>■ Elevating the profile of the ACNC and communicating our work</li> </ul>	<ul style="list-style-type: none"> <li>■ Our approach recognises the size, diversity and needs of the NFP sector and the complexity of its relationship with governments</li> <li>■ We set service standards and continuously review our processes to ensure we meet our regulatory obligations and the expectations of our customers</li> <li>■ The majority of our customers are e-enabled whereby they can freely access and exchange charity information via secure online services</li> </ul>	<ul style="list-style-type: none"> <li>■ Streamlined reporting by charity type</li> <li>■ Early government adopters to align regulatory requirements</li> <li>■ Remaining responsive to changing policies and reporting requirements of government agencies</li> <li>■ The ACNC becomes a data repository for recognised government agencies dealing with charities ('report once, use often')</li> </ul>	<ul style="list-style-type: none"> <li>■ High level of staff engagement and enablement</li> <li>■ Commitment to diversity</li> <li>■ Socially and corporately responsible</li> <li>■ We keep abreast with changes in IT and build these into our systems</li> <li>■ Enabling efficient work and knowledge sharing practices</li> </ul>

# Attachment 1 – ACNC values underpinning our regulatory approach

## Fairness

- We believe that the great majority of charities are trying to do the right thing and that most people involved in charities are honest.
- If mistakes are made by charities, they are usually honest mistakes, or because of a lack of knowledge, expertise or capacity.
- We focus on supporting charities to do the right thing by providing high quality advice and education in a timely, accessible and helpful way.
- The ACNC will use its powers judiciously and properly, base our exercise of a power on evidence and give reasons for a decision.
- Our decisions and actions are consistent, fair, proportionate and impartial, and are underpinned by the principles of natural justice.
- The actions we take are in proportion to the need for intervention.
- We make a clear distinction between innocent mistake and wilful or deliberate misconduct or mismanagement. We will also generally give charities a chance to explain and to fix mistakes.
- We distinguish between a legal requirement and good practice advice.

## Accountability

- The ACNC is accountable to the Administrative Appeals Tribunal and Courts for its decisions and to Parliament for its performance.
- We deliver on our commitments and take responsibility for our own actions, decisions and behaviours as individuals and as an organisation.
- The ACNC Annual Report to Parliament will outline delivery against our statutory objects and stated key performance indicators and will provide information on important decisions on our website.
- ACNC policies and decision-making will take into account the capacity of charities and their existing accountability mechanisms.
- We shall lead by example in promoting accountability and transparency.
- We will be accountable to charities through ongoing engagement and a dispute resolution process.
- Charities can ask for decisions to be reviewed or appealed and the ACNC will provide advice on review procedures.

## Independence

- The ACNC is the independent, statutory regulator of charities in Australia with its own budget, and a distinct organisational culture.
- We act independently in setting our policies. Our policies and training is designed to ensure that decisions are made impartially.
- We act in the best interests of charities, the NFP sector and the public.
- We are consistent in our approach to regulation, taking into consideration all the facts.
- ACNC staff and entities which interact with us are encouraged to give frank and fearless advice to the leaders of this organisation.

## Integrity

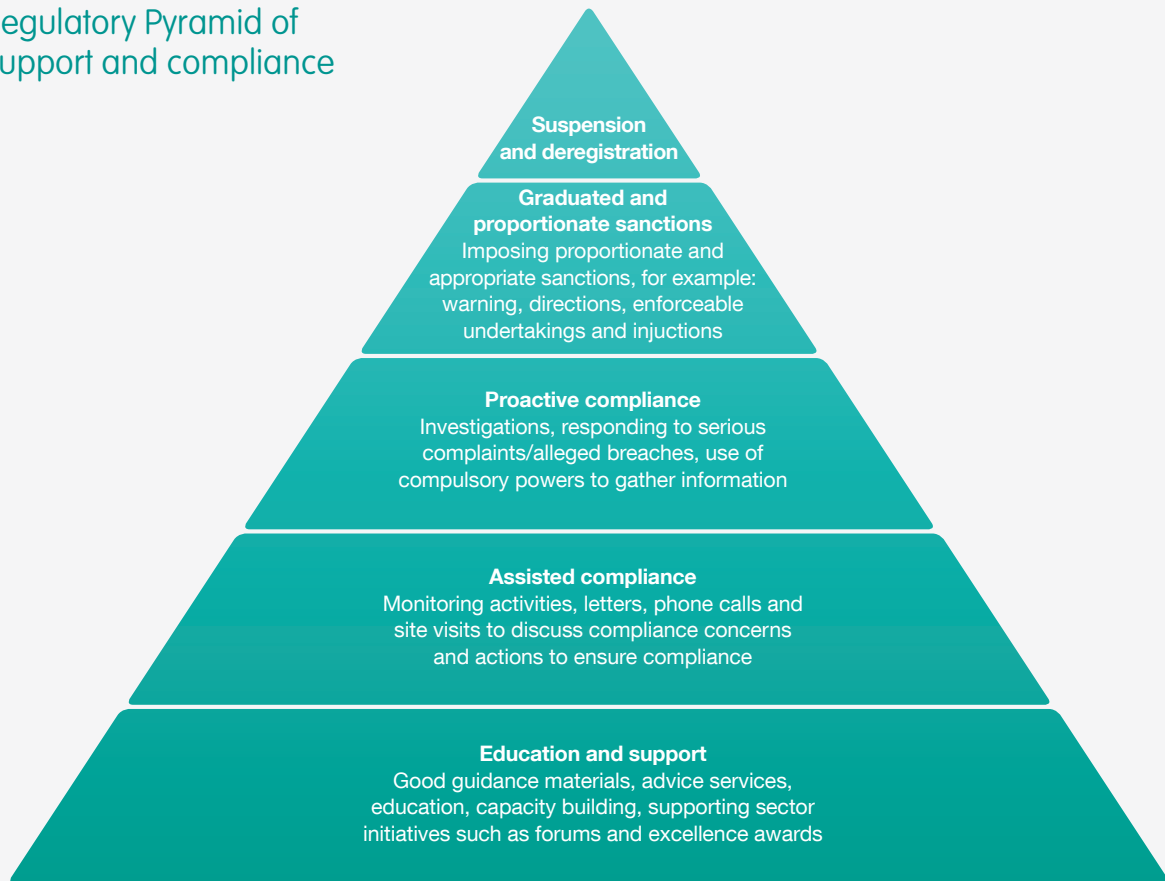
- ACNC staff are truthful, fair and open and adhere to high ethical standards. We take responsibility for our actions and decisions.
- If we make mistakes, we take ownership and ensure that lessons are learnt.
- We work hard to be experts in our field and to use our expertise to help charities and the public.
- We are committed to acting with integrity by following the law, our stated policies and organisational values.

## Respect

- We respect charities that are mission-driven and those who work with and for these charities.
- Our role is to provide the regulatory foundation which will support NFPs in pursuing their mission.
- We respect the autonomy of charities to determine their goals and how these should be achieved. It is not the role of the ACNC to manage or administer charities.
- We respect the diverse goals, activities and legal structures of charities that result in different needs and challenges.
- We take into account the capacity of charities and their existing accountability mechanisms.
- We take pride in our work and treat our customers and stakeholders how we would like to be treated.
- We listen to the needs of the NFP sector and the general public.

## Attachment 2

### Regulatory Pyramid of support and compliance



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 minimum 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.





[acnc.gov.au](http://acnc.gov.au)