The Hon Michael Sukkar MP
Assistant Treasurer, Minister for Housing and Minister for Homelessness,
Social and Community Housing
Parliament House
Canberra ACT 2600

Dear Minister

I am pleased to provide you with the Australian Charities and Not-for-profits Commission Annual Report 2020-21 for presentation to Parliament.

This report has been prepared for the purposes of Division 130 of the Australian Charities and Not-for-profits Commission Act 2012 (Cth) and section 46 of the Public Governance, Performance and Accountability Act 2013 (Cth).

Yours sincerely

The Hon Dr Gary Johns
Commissioner
Australian Charities and Not-for-profits Commission

15 September 2021
# Contents

## Contact us

1 · Our year in review

- Commissioner’s review: 2
- Advisory Board Chair’s review: 4

2 · Our organisation

- About us: 6
- Our vision and values: 7
- Our leaders: 8
- Our structure: 9
- Our Advisory Board: 11

3 · Annual Performance Statement

- Purpose and priorities: 14
- Outcome and program: 14
- Performance reporting: 15

4 · External scrutiny

- Senate Estimates: 36
- Freedom of Information: 36
- Review and appeal: 36
- Court appeal: 36

5 · Corporate governance

- The Commissioner: 38
- Internal governance and risk management: 38
- Ecologically sustainable development and environment performance: 38
- Financial management: 38
- Compliance reporting: 40
- Asset management: 40
- Purchasing and consultancies: 40
- Grants: 40
- Advertising: 40
1 · Our year in review
Commissioner’s review

I am pleased to present the Australian Charities and Not-for-Profits Commission (ACNC) Annual Report for 2020–21. The report sets out our achievements during a year of significant change and uncertainty for the Australian community due to the ongoing effects of the COVID-19 pandemic.

The pandemic continues to test charities, forcing much of their work online and reducing their ability to raise funds, engage volunteers and meet increased demands for services.

Despite these challenges, the sector showed great resilience in 2020–21 and continued to deliver essential services to a huge array of beneficiaries through thousands of programs delivered by churches, schools, hospitals, and local charities across Australia. At crucial times, charities provided relief and rebuilding for people affected by drought, bushfires, and floods, and they continue to provide services that help overcome the challenges of the COVID-19 pandemic.

Throughout 2020–21 I met many charities across Australia and was constantly impressed by the programs they deliver. The drive and ingenuity charities demonstrated as they endeavoured to meet community needs and find new ways to achieve goals was remarkable.

In May 2021 we published the 7th edition of the Australian Charities Report. This provided an excellent insight into the state of the charity sector immediately before the dual challenges of the bushfires in January 2020 and the COVID-19 pandemic. The report and its data told a story of growth – we saw a strong Australian charity sector in 2019 that generated $166 billion in revenue and employed 11% of Australia’s workforce. It had grown from the previous reporting period, and was providing services to more people in communities across the country.

While we are yet to see the full effect of the bushfires and the COVID-19 pandemic on the charity sector, I expect the resilience, innovation and determination that permeates so much of the sector to help it emerge in a relatively strong position.

At the ACNC, I am pleased to say, we were able to deliver important achievements in 2020–21. We completed a significant review of three large charities involved in recovery efforts for the devastating bushfires of early 2020. This review highlighted the difficult work of charities in disaster relief and explored the complexities of managing significant funds responsibly. Each charity managed their funds responsibly.

Importantly, we implemented a way for charities to provide information about their programs in the Annual Information Statement. This will pave the way for significant enhancements to the Charity Register in 2021–22. Charities can now use the Annual Information Statement to showcase their work to donors, supporters and the broader public on the Charity Register.
With the upcoming enhancements to the Charity Register, users will be able to search for charities based on their programs, beneficiaries and location.

In April 2021, I provided the Auditor-General for Australia with an update on our work addressing the recommendations of the Auditor-General Report No 29 of 2019–20: ‘Regulation of Charities by the Australian Charities and Not-for-profits Commission’. We improved our approach to risk and initiated a project to address issues of data integrity that may affect the accuracy of information on the Charity Register. This work confirms our commitment to continuously improving the way we regulate charities.

In 2020–21, we commenced the work to implement the Government’s response to the review of the ACNC legislation, ‘Strengthening for Purpose: Australian Charities and Not-for-profits Commission Legislation Review 2018’. There were amendments to the definition of ‘Basic Religious Charity’ and Governance Standard 6 was introduced to provide an incentive to charities to participate in the National Redress Scheme. We will continue to work with the Government to implement further changes in 2021–22.

Charities can now use the Annual Information Statement to showcase their work to donors, supporters and the broader public on the Charity Register.

I must express my gratitude to the staff at the ACNC who worked so hard throughout a year of unprecedented challenges. Their professionalism and flexibility in an uncertain environment demonstrated their ongoing commitment to the charity sector and their desire to deliver best-practice regulation.

Finally, I would like to thank the many stakeholders – charities, regulators, professional advisers – who are important to our work. Engaging with stakeholders is critical to our success and we confirmed our commitment to being a regulator that listens, understands and communicates with stakeholders when we updated our Stakeholder Engagement Framework during the year.

I hope you will find this review of the ACNC’s performance in 2020–21 insightful.

The Hon Dr Gary Johns
ACNC Commissioner
Advisory Board Chair’s review


While many found innovative ways to operate online, physical-distancing measures in response to the pandemic in Australia reduced some charities’ ability to continue to operate. Throughout the year, charities faced challenges retaining volunteers, raising funds, managing finances and maintaining good governance. At the same time, many charities faced increases in demand for their services.

Support provided by the Commonwealth Government, including measures such as Boosting Cash Flow for Employers and Jobkeeper, were welcome. This support helped many in the charity sector through an incredibly difficult time.

_Governance Standard 6 was introduced to encourage charities to join the National Redress Scheme and hold charities accountable for past conduct relating to institutional child sex abuse._

The Government took steps to begin implementing some of the recommendations from the 2018 review of the ACNC legislation. Separately, a new Governance Standard was introduced and proposed amendments to Governance Standard 3 were announced.

Governance Standard 6 was introduced to encourage charities to join the National Redress Scheme and hold charities accountable for past conduct relating to institutional child sex abuse.

The proposed amendments to Governance Standard 3 although announced in 2020–21 will go through the parliamentary process in 2021–22.

In June 2021, the Government announced its intention to cut red tape for registered charities by lifting financial reporting thresholds for small and medium-sized charities.

Thresholds will be increased to less than $500,000 annual revenue for small charities and to less than $3 million revenue for medium charities. These changes will need to be reported from 1 July 2022 (subject to passage of law) and will save charities administrative costs.

In addition, large charities with two or more key management personnel will be required to report remuneration paid to Responsible People and senior executives on an aggregated basis in their 2022 Annual Information Statements. In the following year, from July 2023, all charities will be required to report related party transactions. These changes will provide greater accountability to donors, beneficiaries, and the public.

I would like to thank the Advisory Board members for their continued commitment to the sector and their generosity in sharing their expertise. The work we do plays a crucial role in informing the Government’s policy on matters of importance to the sector and, through our advice to the Commissioner, supports effective regulation of charities.

Tony Stuart
Chair, ACNC Advisory Board
2 · Our organisation
About us

The ACNC is the national regulator of charities. We are responsible for administering the *Australian Charities and Not-for-profits Commission Act 2012* (Cth) (the ACNC Act) and the *Australian Charities and Not-for-profits Commission Regulation 2013* (Cth), our primary legislation and legislative instrument.

The ACNC was established by the ACNC Act, which has the following three objects:

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

Although the ACNC Act refers to not-for-profits and the not-for-profit sector, the ACNC only regulates registered charities – organisations that meet the definition of charity as set out in the *Charities Act 2013* (Cth) (the Charities Act).

We maintain the ACNC Charity Register – an online, searchable register of charities. The Charity Register enhances transparency by publishing information about charities’ governance, activities, operations, and finances. The public can use the Charity Register to verify registered charities.

We use the information we collect about charities to provide an overview of the charity sector and report on emerging trends through the annual Australian Charities Report.

When a charity fails to meet its obligations and acts in a way that poses a serious risk to public trust and confidence, we investigate and act.

We determine whether an organisation meets the legal definition of charity and is entitled to registration as a charity. Our guidance and support help charities understand and meet their obligations.
Our vision and values

We strive to be an innovative leader in charity regulation. We believe in good governance, honest respectful relations and transparent administration. Our Corporate Plan 2020-21 outlines our vision, values and strategic priorities for the year.

Our vision is ‘charities that inspire confidence and respect’.

Our vision and purposes inform the way we engage with charities, governments and the public. Our objects guide our activities and our supporting capabilities help us deliver our vision.

Our values are: fairness, accountability, independence, integrity and respect. These values align with the Australian Public Service values and underpin the way we perform our work.
Our leaders

The Hon Dr Gary Johns, Commissioner

December 2017 – present

The Hon Dr Gary Johns took up the role of Commissioner following a long and varied career in public service and policy advice, including as the author or editor of nine books on public policy. He was an inaugural board member of Volunteers Australia, a member of the Prime Minister’s Business Community Partnership, and served on the committee to design the Redress Scheme for survivors of institutional child sexual abuse.

Dr Johns was a member of the House of Representatives from 1987–1996 and served variously as Parliamentary Secretary to the Deputy Prime Minister, Parliamentary Secretary to the Treasurer, and Special Minister of State and Assistant Minister for Industrial Relations. He served as an Associate Commissioner of the Commonwealth Productivity Commission from 2002–2004.

He received the Centenary Medal in 2001 and the Fulbright Professional Award in Australian-United States Alliance Studies in 2002, which was served at Georgetown University, Washington DC.

He was Senior Fellow at the Institute of Public Affairs, senior consultant with ACIL Tasman, Associate Professor, Australian Catholic University, Visiting Fellow at QUT Business, and is an adjunct Professor at the University of Queensland.

Anna Longley, Assistant Commissioner – General Counsel

November 2019 – present

Anna Longley is the ACNC’s Assistant Commissioner – General Counsel. She is the senior legal advisor to the ACNC Commissioner and Advisory Board and has legal and operational oversight of the ACNC’s work regulating charities.

Having worked at the Australian Taxation Office (ATO) for over 16 years prior to joining the ACNC, Anna has an extensive background in public administration. She led development of advice and guidance, determination of objections, and assurance and review work on high-wealth individuals, private groups and not-for-profit entities. Anna also oversaw Fringe Benefits Tax for the ATO.

Anna is experienced in dispute resolution and litigation. She has appeared for the Commissioner of Taxation in the Administrative Appeals Tribunal and the Federal Court in cases on income tax, GST and indirect tax, superannuation and not-for-profit matters.

Anna holds a Bachelor of Laws with Honours, a Graduate Diploma of Legal Practice and a Master of Taxation. She was admitted to practice as a lawyer in 2005.

In the charity sector, Anna has spent several years volunteering for and on the boards of community legal centres.
Our structure

The ACNC has six directorates, each of which plays a crucial role in helping us achieve the objects of the ACNC Act.

Advice Services, Education and Public Affairs

Our Advice Services team provides information to charities and members of the public about a wide range of topics related to charity governance and the charity sector. The team responds to written and phone enquiries about obligations and legislation affecting charities, and helps people navigate the ACNC website, Charity Register and Charity Portal. Enquiries made to Advice Services help the ACNC identify information gaps and improve our services to charities, their advisers and the public.

Our Education and Public Affairs team manages internal and external communications, including the ACNC website and its content, social media, and government and media relations. The team is responsible for developing guidance and resources to help charities meet their obligations to the ACNC and for building the profile of the ACNC with the public, including promoting accessible information about Australia’s charity sector.

Compliance

Our Compliance team works to address risks that pose a threat to trust and confidence in the charity sector. The team uses analytics and intelligence to identify risks and decide on appropriate action.

The Compliance team uses a combination of education and guidance and investigative methods to address non-compliance and support charities in meeting their obligations. When investigations find that a charity has been involved in serious or deliberate non-compliance, we may use enforcement powers or revoke the charity’s registration.

Information Technology

Our Information Technology (IT) team manages the implementation, maintenance and support of IT services, platforms and solutions. The team manages system configuration and architecture as well as information governance. It also provides data to support ACNC operations and help inform strategic decisions and oversees data exchanges with other government agencies.

Legal and Policy

Our Legal and Policy team advises the Commissioner and staff on interpretation and application of the ACNC Act, the Charities Act and other applicable legislation and regulations. The team also manages legal review and appeal proceedings of ACNC administrative decisions.

Legal and Policy advises on memoranda of understanding with external agencies, agreements and contracts, and manages obligations under the Freedom of Information Act 1982 (Cth) (the FOI Act) and the Privacy Act 1988 (Cth) (the Privacy Act). It also coordinates submissions to parliamentary inquiries and consultative bodies on policy and legislative initiatives and supports strategic policy work and engagement with the ACNC’s Adviser and Sector Forums.
Reporting, Red Tape Reduction and Corporate Services

Our Reporting and Red Tape Reduction team administers our reporting framework and works with other government agencies to reduce red tape for charities. The team administers reporting obligations set out in ACNC legislation, manages the Charity Passport, oversees the design of the Annual Information Statement and works to ensure the integrity of the data it collects from charities. The Reporting and Red Tape Reduction team also undertakes analysis of ACNC data, including the analysis for the annual Australian Charities Report.

Our Corporate Services team oversees resource management. The team is committed to developing and maintaining a high performing workforce that can effectively deliver the priorities set out in our corporate plan and manage risks. The team works collaboratively across the ACNC to increase efficiency and innovation in human resources, governance and finances.

Registration

Our Registration team is responsible for assessing charity registration applications and reviewing charities’ continued entitlement to their registrations. The team also assesses requests from charities to have information withheld from the Charity Register, to have new charity subtypes added to their registration, and to have their registration revoked. The team helps streamline the process through which charities get access to Commonwealth charity tax concessions by collecting necessary information and passing it onto the ATO.
Our Advisory Board

The ACNC Advisory Board supports and advises the ACNC Commissioner. The Board is appointed by the Minister and consists of up to eight ‘general members’ with expertise in the not-for-profit sector, law, taxation or accounting, and specified office holders. The Board currently includes one ex officio member.

General members are appointed for a term of up to three years. Ex officio members remain on the Board for as long as they hold the specified office. The Board meets quarterly. In 2020-21 three meetings were held via an online platform, on 7 August 2020, 13 November 2020 and 19 February 2021. The meeting on 21 May 2021 was held in person in Sydney.

In 2020–21 there were no changes to the membership of the Board.

General members

**Tony Stuart**

Tony Stuart is the Chair of the ACNC Advisory Board, a member of the Prime Minister’s Community Business Partnership, and chaired the Charity, Philanthropy and Fundraising Advisory Committee to the National COVID-19 Coordination Commission. He is the Chief Executive Officer of UNICEF Australia. Previously, Tony was the Group Chief Executive Officer of National Roads and Motorists’ Association, one of Australia’s largest not-for-profit organisations. He is a former Director of the Heart Research Institute, the Starlight Children’s Foundation and Business Council of Cooperatives and Mutuals. He is a Fellow of the Australian Institute of Company Directors and a Fellow of the Australian Institute of Management.

**Dr Martin Laverty**

Dr Martin Laverty is Deputy Chair of the ACNC Advisory Board. He is Secretary General of the Australian Medical Association. In previous roles he has been Chief Executive of three charities: the Royal Flying Doctor Service of Australia, Catholic Health Australia, and the NSW Muscular Dystrophy Association. He was an inaugural Director of the National Disability Insurance Scheme and Chair of the Heart Foundation and disability charities Unison Disability and Challenge Southern Highlands. Dr Laverty was also a member of the National Covid-19 Coordination Commission advisory group of charities. He is currently a Director of the international aid organisation Caritas Australia, and is an Adjunct Professor at the University of Western Australia’s Not-for-Profits Initiative. A lawyer by training, Dr Laverty’s doctorate is in board director contributions to charitable organisation outcomes.
David Pigott
David Pigott is a board member of Uniting NSW and the ACT. He is also a member of the NSW Ministerial Advisory Council on Ageing. He was previously an executive at Mission Australia and has been an adviser to federal and state governments, including as private secretary to the NSW Premier. David is a former non-executive director of Child Fund Australia and was Chair of the Ella Centre, a disability and aged services support charity in Sydney’s Inner West.

Heather Watson
Heather Watson is a specialist charity lawyer with experience across the not-for-profit sector. She holds a number of non-executive appointments across the charity sector including the Chair of Uniting NSW.ACT and the Epic Good Foundation, and a director of Uniting (Victoria and Tasmania), Australian Regional and Remote Community Services, and National Affordable Housing Consortium.

Peter Hogan
Peter Hogan is a Chartered Accountant with more than 50 years of experience. Peter began his career at the ATO before moving into the private sector and becoming a corporate tax partner with PricewaterhouseCoopers (PwC). Since his retirement from PwC, Peter has served on the Boards of a number of public companies listed on the ASX and the Singapore Stock Exchange. Peter has also served as Deputy Chair of Villa Maria Catholic Homes Ltd, Director and Treasurer of Edmund Rice Foundation (Australia) Ltd and is a former Board Chair of St Bernard’s College, Essendon. Peter currently serves on the Board of Don Bosco (Brunswick) Youth Foundation Inc.

Dr Susan Alberti AC
Dr Susan Alberti AC is one of Australia’s pre-eminent philanthropists and founder and Chair of the Susan Alberti Medical Research Foundation. Dr Alberti was the leading force behind the establishment of the Australian Football League’s elite women’s competition, AFLW. Dr Alberti has been awarded the Member of the Order of Australia, Officer of the Order of Australia, the Companion of the Order of Australia and was named 2017 Melburnian of the Year and 2018 Victorian of the Year.

Ex officio members
Dini Soulio
Dini Soulio is the Commissioner of Consumer Affairs and Liquor and Gambling with Consumer & Business Services (CBS) in South Australia. CBS has a broad portfolio which includes regulation of charities. Dini’s background is as a solicitor in private practice, working in the areas of insurance, workers compensation and criminal law. He has also held senior regulatory roles with Customs and ASIC.
3 · Annual Performance Statement
Purpose and priorities

The ACNC's purpose and performance measures were published in our 2020–21 Corporate Plan. Our core purposes align with the objects in the ACNC Act:

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

To achieve our purposes, we:

- maintain a public register of Australian charities
- register new charities and revoke charities that are no longer entitled to registration
- collect information on charities annually
- provide advice and guidance to charities and the public
- disseminate resources for better practice
- enhance transparency and promote good governance of the sector
- monitor charities for compliance with legal requirements and act on identified concerns
- work across governments to reduce unnecessary regulation.

Outcome and program

Although the ACNC operates independently, we are included in the ATO’s program structure and are one of the programs that delivers the ATO’s outcome.

The ATO’s outcome statement is: *Confidence in the administration of aspects of Australia’s taxation and superannuation systems through helping people understand their rights and obligations, improving ease of compliance and access to benefits, and managing non-compliance with the law.*

As Program 1.4 of the ATO’s program structure, our deliverables and performance indicators, which are used to assess and monitor our performance, are published in the Treasury Portfolio Budget Statements. These deliverables and performance indicators are the same as the priorities and performance measures contained within our corporate plan.
In line with the Commonwealth Government’s enhanced performance framework, our performance measurement and reporting processes were assessed against the requirements of government entities under the Public Governance, Performance and Accountability Act 2013 (Cth) (the PGPA Act). Our performance for each criterion is graded as described in Table 3.1.

### Table 3.1: Criterion result grading

<table>
<thead>
<tr>
<th>Result</th>
<th>Symbol</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Met</td>
<td>✓</td>
<td>Target met or exceeded</td>
</tr>
<tr>
<td>Partially met</td>
<td>!</td>
<td>Some elements of the target were met and issues managed. Partially met is 80% or more of the target achieved.</td>
</tr>
<tr>
<td>Not met</td>
<td>✗</td>
<td>No or minimal progress was made against the target</td>
</tr>
</tbody>
</table>

I, the Hon Dr Gary Johns, Commissioner of the ACNC, as statutory office holder appointed to administer the ACNC Act, present the Annual Performance Statement of the ACNC, as required under paragraph 39(1)(a) of the Public Governance, Performance and Accountability Act 2013 (PGPA Act). In my opinion, this annual performance statement is based on properly maintained records, accurately reflects the performance of the entity, and complies with subsection 39(2) of the PGPA Act.

The Hon Dr Gary Johns  
Commissioner, Australian Charities and Not-for-profits Commission  
15 September 2021
Purpose 1: Maintain, protect and enhance public trust and confidence in the Australian not-for-profit sector

<table>
<thead>
<tr>
<th>No.</th>
<th>Performance measure and Source</th>
<th>Annual target</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1</td>
<td>Percentage of new charity registrations completed within agreed timeframes</td>
<td>90%</td>
<td><img src="image-url" alt="79%" /></td>
</tr>
<tr>
<td></td>
<td>■ 2020–21 ATO PBS page 211</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>■ 2020–21 ACNC Corporate Plan page 7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.2</td>
<td>Percentage of charities complying with timeliness of Annual Information Statement submission requirements</td>
<td>75%</td>
<td><img src="image-url" alt="66%" /></td>
</tr>
<tr>
<td></td>
<td>■ 2020–21 ATO PBS page 211</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>■ 2020–21 ACNC Corporate Plan page 7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.3</td>
<td>Percentage of investigations finalised within 12 months</td>
<td>75%</td>
<td><img src="image-url" alt="63%" /></td>
</tr>
<tr>
<td></td>
<td>■ 2020–21 ATO PBS page 211</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>■ 2020–21 ACNC Corporate Plan page 7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.4</td>
<td>Number of Deductible Gift Recipient (DGR) reviews conducted annually</td>
<td>500 (2% of DGR-endorsed charities). In 2020–21, 2% of DGR-endorsed charities was 455. The pro-rata target (Nov 2020 – June 2021) was 303 reviews.</td>
<td><img src="image-url" alt="303" /> (Pro-rata target for Nov 2020 – June 2021)</td>
</tr>
</tbody>
</table>
Analysis of performance

Charity registration

This year we processed 5,886 charity registration applications, with 98% received through our online application form.

We assess applications according to the requirements of the ACNC Act, the Charities Act, the Charities (Consequential Amendments and Transitional Provisions) Act 2013 (Cth) and common law to determine eligibility for registration. When an application does not have sufficient information to determine eligibility, we ask the applicant for further information and consider other sources of information, such as the organisation’s website or annual report.

Customer service is important and we aim to register organisations entitled to be registered in a timely manner.

In 2020–21, we processed 79% of applications within 15 business days of receiving all the information we needed. This was outside our service standard of 90%. Several factors affected our ability to meet this performance measure, including integration of DGR reviews, the onboarding of more than 50% additional staff to assist with new and upcoming work, and unforeseen circumstances that affected our workflows, such as increased applications.

Customer service is important and we aim to register organisations entitled to be registered in a timely manner.

In 2020–21, we refused 151 charity registration applications. Of these, 89% were because the applicant did not provide enough information for us to determine eligibility. In such situations, we make two attempts to get the required information before refusing the application. The remaining refusals were because applicants were not eligible.

We regularly update our guidance to ensure that applicants and registered charities understand the registration requirements and our processes.

In 2020–21 we updated two Commissioner’s Policy Statements. We amended the policy ‘Withholding or Removing Information from the ACNC Register’ to provide information about charity names that may mislead the public and to ensure the policy wasAccessible. We updated the policy ‘Voluntary Revocation’ to include our approach to revoking individual charity subtypes and information about how we consider requests.
We also published a new Commissioner’s Policy Statement, ‘Reviews of Deductible Gift Recipient charities’, which sets out our approach to the reviews of DGR-endorsed charities.

With the Australian community significantly affected by the COVID-19 pandemic, and still dealing with the ongoing effects of the devastating bushfires, our primary focus in 2020–21 was enabling charities to support the community. In collaboration with other government agencies, we worked to ensure that applications from eligible organisations were processed efficiently and the charities had access to the appropriate Commonwealth tax concessions as a priority.

DGR Reform

We continued work on the DGR reforms announced by the Federal Government on 5 December 2017. The reforms aim to strengthen governance arrangements, reduce administrative complexity and ensure continued trust and confidence in the sector.

As part of the DGR Reforms, we are to review 2% of DGR-endorsed charities annually to assess their continued eligibility for charity registration.

For 2020–21, we set a target of reviewing 500 DGR-endorsed charities. However, due to the challenges brought about by the COVID-19 pandemic, we deferred the start of this work to November 2020. This meant that our target of 500 was revised, and a pro-rata figure of 303 became the target for 2020–21.

We reviewed 303 DGR-endorsed charities in 2020–21 and we found that a substantial number had issues to address, ranging from relatively straightforward matters to potentially serious concerns about registration entitlement. We will continue to work with charities on resolving the issues in 2021–22.

We announced that the reviews in 2020–21 would focus on charities registered as Public Benevolent Institutions. Initially, we contacted charities that met our defined risk criteria to give them an opportunity to self-assess their registration ahead of a potential review. We prepared guidance to help charities review their registration.

We reviewed 303 DGR-endorsed charities in 2020–21 and we found that a substantial number had issues to address, ranging from relatively straightforward matters to potentially serious concerns about registration entitlement. We will continue work with charities on resolving the issues in 2021–22.

Changes to the broader DGR system, including the integration of the four existing DGR registers to streamline the DGR registration process, are pending the development of legislation.
DGR reviews

Following notification from the ACNC about reviews of DGR-endorsed charities, a charity self-assessed its operations and identified that it may no longer qualify as a Public Benevolent Institution (PBI).

Although the charity did not disclose this information to us ahead of a review, its self-assessment meant it was aware of the potential issues, and was receptive to discussions when we contacted it.

Our review supported the charity’s own findings and identified additional issues that had the potential to affect its charity registration. We contacted the charity to advise it of the issues we found, and we provided guidance on registration requirements.

Following communication with the charity, we decided that it was not eligible for registration as a PBI but, with amendments to its governing document, it was entitled to its registration as a charity.

As well as amending its governing document, the charity took the additional step of conducting a detailed review of its operations to ensure there were no other issues that could affect its registration.

The review led to the charity retaining its registration while having two charity subtypes, including PBI, revoked. We informed the ATO that the PBI subtype had been revoked because this would affect the charity’s eligibility for certain taxation concessions and DGR endorsement.

The review supported the integrity of the taxation system and accuracy of the ACNC Charity Register, improving public trust and confidence in the sector.
Compliance

Receiving and investigating concerns about charities is a key component of our work to maintain and enhance public trust and confidence in the sector.

In 2020–21, we received 2,001 concerns about charities; most of these were received from the public or members of charities. The most common concerns were about perceived mismanagement of funds or individuals obtaining private benefits from charities.

We finalised 76 investigations in 2020–21. These investigations resulted in a range of outcomes, including the revocation of charity registration for 13 charities for serious and ongoing non-compliance. The rate of investigations resulting in revocation is comparable with 2019–20.

The most common concerns were about perceived mismanagement of funds or individuals obtaining private benefits from charities.

We deferred action in some investigations if a charity was affected by the 2020 bushfires. This delayed finalising some investigations, and we factored this into our performance outcome.

When we did act against a charity affected by the bushfires, we did so because we considered it a high risk to allow the charity to remain registered.

When it is relevant, we may disclose protected information to other Australian government agencies. In 2020–21, we made 71 referrals to other government agencies about 50 charities when we thought the other agency may be able to act. We worked on multiple joint investigations with Commonwealth and state agencies, as well as an intelligence report with other government agencies, which led to joint investigations.

We worked on multiple joint investigations with Commonwealth and state agencies, as well as an intelligence report with other government agencies, which led to joint investigations.

In 2020–21 we refined the tools we use to assess charities’ compliance and to educate them about their obligations. To do so, we introduced two new programs: a ‘compliance review’ and a ‘self-audit’. A compliance review is a short engagement with a charity focused on a particular issue, rather than their overall compliance.
The introduction of these programs enabled us to directly engage with nearly 50% more charities than in 2019-20 because they require fewer resources from both charities and the ACNC.

**Risk**

In 2020–21, we re-assessed how we understand risk in the charity sector and decide which cases to investigate. When we assess risk we now:

- use risk profiles based on available information
- analyse specific risks, sometimes with other government agencies
- evaluate thousands of concerns from a range of sources, including the public.

We will continue to refine this approach to ensure it effectively identifies risks and guides how we respond to issues.
Self-audit outcomes

Our new self-audit program enabled us to engage with 28 charities on high-level evaluations of their compliance.

The outcomes of the self-audits found that:

- **21 (75%)** demonstrated satisfactory governance
- **7 (25%)** provided an unsatisfactory response

Receiving an unsatisfactory response from 25% of the charities we engaged with highlighted the importance of this activity. It is one that requires few resources, but allows us to identify issues and help charities with compliance and governance. Encouragingly, five of the 28 charities identified a plan to improve their governance. Where we felt it would be beneficial, we provided education to charities to improve their governance.

By doing the self-audit, one charity recognised its growth from a small to a large charity in one year meant its governance was no longer adequate. The charity stated that the self-audit was an opportunity for it to reassess its arrangements and ensure it met the standards of governance required of a large charity.

The charity provided a detailed action plan as part of its response, addressing the gaps identified in the self-audit. The charity thanked us for the opportunity to reassess its governance and for the regulatory advice provided at the conclusion of the review. The charity acknowledged that addressing the gaps would ensure donor confidence into the future, as well as trust and confidence of the charity in the broader community.

In another 11 cases, we were able to satisfy ourselves that the charities’ governance was satisfactory, so there was no need for them to complete a self-audit.

While we will continue this program in future years, we encourage charities to proactively assess their governance by using our [self-evaluation tool](#).
Bushfire reviews

Through our new compliance review program, we were able to evaluate eight charities’ responses to the 2020 bushfires.

Three of these reviews were the subject of our report ‘Bushfire Response 2019–20 – Review of Three Australian Charities’, published in October 2020.

We found that charities received donations in excess of $640 million to respond to the bushfires. The charities we reviewed had largely responded appropriately to difficult and, in some cases, novel situations.

The charities faced a range of challenges, including the need to manage significant funds, plan effective responses, and implement appropriate governance in a changing environment. They also faced significant and intense public scrutiny, as well as attempts at fraud against programs. We found that some charities experienced in disaster response and relief were able to respond effectively in the short and long term.

As part of the reviews, we asked the charities to demonstrate that they were taking reasonable steps to disburse the donations they had received, that they were using the donations on activities related to the bushfires, and that they were protecting the funds against fraud. Although each charity’s response differed, reflecting different histories and programs, we were satisfied that each acted diligently.
Annual reporting

Each year charities must submit an Annual Information Statement (except charities that are also registered with the Office of the Registrar of Indigenous Corporations (ORIC)). This Statement collects details of a charity’s programs, beneficiaries, and finances. Medium and large charities (except Basic Religious Charities) must provide reviewed or audited annual financial reports with their Annual Information Statements.

Data from Annual Information Statements is used to populate the Charity Register. This ensures the Charity Register contains current information on charities.

Each charity must submit its Annual Information Statement within six months of the end of its reporting period. The 2020 Annual Information Statement was made available online in September 2020.

At 30 June 2021, 66% of charities had submitted their 2020 Annual Information Statements on time.

In October 2020, we published a list of 318 charities along with a notice of our intention to revoke their registrations for failing to submit two or more Annual Information Statements. Because we had returned mail from these charities and they had not responded to our attempts at contact, we published a public notice of our intentions. In November 2020, we revoked the registrations of 303 of those charities.
Purpose 2: To support and sustain a robust, vibrant, independent and innovative Australian not-for-profit sector

<table>
<thead>
<tr>
<th>No.</th>
<th>Performance measure</th>
<th>Annual target</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1</td>
<td>The ACNC will collect new information, about the programs charities conduct, using a consistent taxonomy classification; where they conduct those programs and who those programs will benefit. Once collected, this information will be accessible to government and the public</td>
<td>Launch of enhanced Charity Register</td>
<td>✔️</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2020–21 ATO PBS page 211</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>2020–21 ACNC Corporate Plan page 8</td>
<td></td>
</tr>
<tr>
<td>2.2</td>
<td>Percentage of time phone calls are answered within 4 minutes</td>
<td>80%</td>
<td>70%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2020–21 ATO PBS page 211</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>2020–21 ACNC Corporate Plan page 8</td>
<td></td>
</tr>
<tr>
<td>2.3</td>
<td>Information and guidance materials are reviewed and updated or published for the first time on the ACNC website to assist charities in understanding their obligations</td>
<td>Information and guidance materials reviewed and updated or published for the first time as required</td>
<td>✔️</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2020–21 ATO PBS page 211</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>2020–21 ACNC Corporate Plan page 8</td>
<td></td>
</tr>
<tr>
<td>2.4</td>
<td>Information about charities is published</td>
<td>Publication of Australian Charities Report</td>
<td>✔️</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2020–21 ACNC Corporate Plan page 9</td>
<td></td>
</tr>
<tr>
<td>2.5</td>
<td>Number of annual financial reports examined for accuracy</td>
<td>250 annually</td>
<td>274</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2020–21 ACNC Corporate Plan page 9</td>
<td></td>
</tr>
</tbody>
</table>
Analysis of performance

Publication of charity data
In May 2021, we published the 7th edition of the Australian Charities Report, the annual analysis of the charity sector. This report and the accompanying interactive data tool use the most current information available on more than 48,000 charities to provide an extensive overview of the charity sector.

The report and the data tool help map the sector’s size, financial contribution and the breadth of its services. They are useful resources for further research and analysis by charities and other parties interested in the sector.

We published the report on our website and promoted it directly to charities and the public through media campaigns and our communication channels. The report contributes to public understanding of the charity sector and helps promote public trust and confidence in charities.

From its publication in May to 30 June 2021, the report was viewed more than 3,000 times.

We also continue to share the data from the Annual Information Statement freely at data.gov.au, along with several other datasets. We now have 11 different datasets available there, with the ACNC Registered Charities dataset the 12th most downloaded and 7th most viewed on that site.

Information and guidance

In 2020-21 we took 26,878 phone calls and responded to 15,247 written enquiries.

Our response time for answering phone calls improved 12% on the previous year, with 70% of calls answered within four minutes. Inbound call demand increased after the ACNC IT system upgrade in 2018 and is now beginning to trend down toward previous levels; however, it continued to exceed resource capacity in 2020–21.

We continued to expand and update the information we provide to charities, offering a range of educational materials in different formats, including webinars, podcasts, guides and templates.

New resources in 2020–21 included:

- Updated information on Basic Religious Charities
- Guidance for Governance Standard 6
- Information about transitional reporting relief given to charities eligible for streamlined reporting arrangements.
- Guidance on Annual Financial Report Disclosures

In 2020–21, we broadcast 10 webinars:

- Managing charity money in the wake of COVID-19 – practical advice and tips on managing money
- ACNC External Conduct Standards one year on – issues charities have experienced in complying with the Standards
- 10 things your charity should do right now – practical tips to help charities through difficult and changing circumstances
- Community sheds, charity registration and DGR – changes to Deductible Gift Recipient provisions and what they mean for Community Sheds
- Protecting your charity against fraud – practical guidance for charities to protect against fraud
Examsnining financial reports for accuracy

To ensure the integrity of the information on the Charity Register, we reviewed 274 annual financial reports from the 2019 reporting period in 2020–21.

In reviewing the reports, we considered the accuracy of the financial information, the quality of information disclosed, and the overall compliance with the requirements of the ACNC Act including Australian Accounting Standards and assurance requirements. We also reviewed the types of disclosures made by charities in the annual financial report to help us develop our guidance.

When we found material errors in a charity’s annual financial report, we contacted the charity to help it rectify the errors.

In March 2021, we published a report on these reviews, ‘Reviewing Charities’ Financial Information and Annual Financial Reports’.

This report outlined the findings of the reviews and included statistics on the accuracy and quality of the financial information charities provided. Our work with charities on correcting material errors resulted in amendments to the Charity Register that accounted for more than $218 million in total revenue and around $26 million in total assets.

To ensure the integrity of the information on the Charity Register, we reviewed 274 annual financial reports from the 2019 reporting period in 2020–21.

The reviews also allowed us to identify our focus areas for next year. These areas include the completeness of annual financial reports, transposing information from the annual financial report to the Annual Information Statement, and the quality of disclosures of government revenue according to the recommendations in our guidance.
Communicating with charities and the public

Australian charities make a valuable contribution to communities and their work reaches into every corner of our lives. To do this important work, charities need a regulator that listens, understands and communicates in an appropriate way.

We engage with charities, the public, and the sector in formal and informal ways and through a range of channels. We listen to feedback our customers provide and aim to make our guidance, activities and data as accessible and transparent as possible.

In August 2020 the ACNC hosted the annual Regulators Day. The theme of the day was ‘Regulating Through Crisis’ and it was delivered online due to restrictions imposed in response to the COVID-19 pandemic. We, along with the ATO and Treasury, provided updates and there were presentations from GIVIT, Philanthropy Australia and the Australian Competition and Consumer Commission (ACCC).

In 2020–21, our Executive and senior leadership team had 39 speaking engagements and attended 165 meetings with charities, sector representatives or peak bodies (61 of which were in regional Queensland, Victoria, New South Wales and South Australia).

acnc.gov.au

Our website had over 13 million pageviews in 2020–21, underscoring its importance as a communication channel for charities and the public.

Stakeholder engagement

Listening to charities and sector representatives helps us to shape our work and inform our approach to regulation.

We convene two key forums to seek views on charity regulation, insights into emerging issues that affect the sector, and feedback on the policies, guidance and tools we develop for charities.

The Adviser Forum comprises professional advisers to charities such as legal and accounting professionals. The Sector Forum comprises representatives from registered charities. Each forum met twice in 2020-21.
Charity Register

The Charity Register is a valuable source of information about charities for people working in the charity sector and for Australians who support it. The 4.2 million searches of the Charity Register reflect the public’s growing awareness of it as an important source of information and a tool to verify registered charities.

In 2020 Annual Information Statement we asked charities to provide information about and classify their programs. The information about charities’ programs is available to the public on the Charity Register and in 2021-22 will be incorporated into the Charity Register search. This will allow donors and supporters to easily find charities doing the type of work they are interested in supporting.

Media and social media

We regularly publish news articles on our website to keep charities and the wider community informed of changes that affect them.

We share our news articles on social media and work with journalists to answer their queries about charities, which helps to increase understanding of charity regulation and our role as the regulator.

In 2020–21, we responded to 196 media enquiries and we received nearly 2,000 media mentions. Our campaign in November 2020 on giving safely received extensive coverage, particularly on radio across Australia, and helped reinforce the importance of checking charities’ information on the Charity Register.

Our following on social media continues to grow. We use social media to provide timely news directly to our audiences and regularly answer questions from charities.

In the 2020 Annual Information Statement we asked charities to provide information about and classify their programs. The information about charities’ programs is available to the public on the Charity Register and in 2021-22 will be incorporated into the Charity Register search. This will allow donors and supporters to easily find charities doing the type of work they are interested in supporting.

26,878 calls answered

161 sector and charity meetings
Visits to regional charities

When starting at the ACNC, Commissioner Dr Gary Johns made it clear he would spend as much time as he could in regional Australia visiting charities.

“By and large, we could say that regional Australia carries a burden in a number of areas that requires the work of charities. And it may well be under-resourced,” Dr Johns said.

“It is important for me to get out to charities all over Australia because with any regulator there is a distance between you and the people you regulate. I’m trying to close that gap.

“I’m the one who gets to sew it up, see people face to face and tell their stories to staff, but I also inform myself on whether we’re doing a reasonable job. More broadly, it is important to see if we can find better ways to get the story out to a wider audience about all the work that these charities do.”

He said some charities are a bit nervous when the ACNC first gets in touch.

“I reassure them they’ve done nothing wrong, that it really is my opportunity to meet charities face to face. Let’s see what people are doing to pursue their charitable purpose. That’s the real deal. These are the stories that we really do enjoy hearing and the conversations are just wonderful.”

Each year, Dr Johns does about four regional trips. In September 2020 he was around Bundaberg in Queensland and in December 2020 he spent time around Ballarat in central Victoria. During his trip in May 2021, he clocked up about 400 kilometres on the road in regional South Australia.

“In just one week I got to see a tremendous variety of charities and individuals doing outstanding work, often with charities that they started themselves.”

The diversity in the missions and activities is apparent. Dr Johns met with Barayamal, a charity that supports aspiring Indigenous entrepreneurs; Nova for Women and Children, a charity that provides housing and other services; and a youth choir called Moorambilla Voices.

“That charity started when two friends got together one night, and decided there should be a place where children could get together and sing together, to learn new skills, but also to help them psychologically because this is an area that had been in drought for a long time and has only recently come out of drought. They have to raise their own money every year. So that’s the inspiration. A couple of people get together with a great idea and keep it going year after year. It’s quite remarkable.”
Purpose 3: Promote the reduction of unnecessary regulatory obligations on the Australian not-for-profit sector

<table>
<thead>
<tr>
<th>No.</th>
<th>Performance measure</th>
<th>Annual target</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1</td>
<td>Reduce unnecessary regulation for charities by simplifying and streamlining reporting</td>
<td>The Regulator Performance Framework demonstrates a reduction in unnecessary regulation for charities</td>
<td>✔</td>
</tr>
</tbody>
</table>

- **2020–21 ATO PBS** page 211
- **2020–21 ACNC Corporate Plan** page 9

**Analysis of performance**

**Reduction of red tape**

In the 2020–21 Regulator Performance Framework self-assessment, the ACNC Executive assessed the ACNC’s performance as ‘very good’.

This self-assessment was validated by an approved consultation mechanism comprising the views of the Adviser Forum and the Sector Forum.

The self-assessment highlighted achievements during 2020–21, including:

- publication of the Australian Charities Report 7th edition, demonstrating the social and economic contribution of Australian charities both at home and abroad
- transparent decision-making, particularly with reasons for unfavourable regulatory decisions and independent reviews of decisions when objections are raised
- reviews of charities involved in bushfire response and relief
- inclusion of questions about charity programs in the 2020 Annual Information Statement
- proactive engagement with charities where analysis indicated an increased risk of non-compliance.

The self-assessment also highlighted areas where the ACNC should continue to focus its efforts, including:

- improvements to the website, the Charity Portal and online forms to ensure they help reduce compliance costs for the charity sector
- resources to help charities understand and address governance risks
- implementation of the legislation review and performance audit recommendations.

Once approved, this self-assessment will be available on our website.

We continued to work with other government agencies in 2020–21 to reduce unnecessary regulatory burden for charities across jurisdictions. Highlights included:

- the removal of duplicated reporting requirements for charities that are fundraisers or incorporated associations in Western Australia
- the removal of duplicated reporting requirements for charities that fundraise in Victoria
- a streamlined application process for charities that fundraise in Victoria
- a joint response to the DGR Reform initiatives with the Department of the Treasury and the ATO.
Program questions in the Annual Information Statement

From the 2020 Annual Information Statement, charities can provide details about their programs, including the beneficiaries of each program and the location in which it is delivered.

Charities can provide details of up to 10 programs, classifying each one using a standard classification system.

This information charities provide is published to the Charity Register, providing accountability and transparency for the public.

In 2021–22, we will enhance the Charity Register and allow users to find charities based on their programs, beneficiaries and the locations in which they deliver their programs.

The enhanced Charity Register will help donors, supporters, and the public easily find causes that interest them in areas they want. It will also help charities to learn from others that deliver similar programs.

The online Group Annual Information Statement

In some situations, we allow a group of registered charities (reporting groups) to submit a single Annual Information Statement. These are referred to as Group Annual Information Statements.

In 2020–21, we launched an online version of the Group Annual Information Statement form, available in the Charity Portal.

This new online version replaced the previous spreadsheet-based Group Annual Information Statement, which could be a time-consuming process to complete. The online version of the Group Annual Information Statement improves the process and reduces the reporting burden for 295 reporting groups (which comprise nearly 1,400 charities). It also improves the quality of the data reported by reporting groups.
Streamlined reporting arrangements for VIC & WA

In 2020–21, we implemented significant reforms that reduced the regulatory burden for charities in Western Australia and Victoria.

We announced an arrangement that streamlined the reporting for over 2,000 charities that were fundraisers or incorporated associations in Western Australia.

This arrangement has removed the requirement for charities to submit a separate return to the Department of Mines, Industry Regulation and Safety (DMIRS). Instead, charities are only required to submit the Annual Information Statement to the ACNC, and we will share this information with DMIRS.

We also reduced the regulatory burden for charities that fundraise in Victoria.

Charities that want a fundraising license (or fundraising registration) in Victoria do not need to submit an application with Consumer Affairs Victoria (CAV). Instead, they are only required to notify CAV of their intent to fundraise to become a registered fundraiser. Under these reforms, charities have also been excluded from the requirement to submit an annual return to CAV.
In reviews of charity annual financial reports, we identified inconsistent disclosures for government funding.

We found that the variability of disclosures regarding government funding was much greater than the variability of other types of revenue disclosure (for example, donations and investment income).

To improve the way government funding is disclosed, we developed a ‘best practice’ guide to financial disclosures. The guide encourages charities to provide information about government funding that is consistent and useful to charity donors, funders, supporters, and the public.

Our ‘best practice’ disclosures are also consistent with the Australian Accounting Standards. Widespread use of the recommended disclosures will improve the consistency and comparability of the financial information available on the ACNC Charity Register and will also improve transparency and accountability.

Disclosing government funding according to our recommendations may also allow us to pursue more ways to cut red tape for charities, particularly when the information is already required in certain grant acquittals.

4 · External scrutiny
Senate Estimates

In 2020–21, we appeared with Treasury before three Senate Estimates hearings of the Senate Standing Committee on Economics. We responded to 38 questions on notice.

Freedom of Information

Under Part II of the FOI Act, we are required to publish information as part of the Information Publication Scheme (IPS).

Each agency must display on its website a plan showing the information it publishes in accordance with the IPS requirements. This information about the ACNC is available at acnc.gov.au/IPS.

In 2020–21, we received 35 FOI requests.

Review and appeal

We conduct an internal review of a decision if an applicant affected by that decision submits an ‘objection’. The internal review is conducted by a different person to the one who made the original decision. An internal review decision is known as an ‘objection decision’ under the ACNC Act.

Administrative Appeals Tribunal review

If a charity is dissatisfied with our objection decision, it can apply for a review by the Administrative Appeals Tribunal (AAT).

In 2020–21, two applications were made to the AAT for review of a decision. Those applications are proceeding.

Court appeal

If a charity is dissatisfied with an AAT decision, it can appeal to the Federal Court of Australia on questions of law. A charity can also appeal objection decisions directly to the Federal Court.

In 2020–21, two applications were made to the Federal Court. One matter was dismissed at an early stage by the Court and the second matter was withdrawn by the applicant. The ACNC was awarded costs in one matter.
5 · Corporate governance
The Commissioner

The ACNC Commissioner is a statutory office holder. The Hon Dr Gary Johns was appointed Commissioner of the ACNC on 1 December 2017 for a five-year term.

The ACNC Act (Part 5-2) provides for the establishment of the Commissioner’s position, functions and powers, including terms and conditions of appointment.

Internal governance and risk management

Our governance framework provides for effective governance and risk management, informed decision-making, and professional performance accountability.

Our internal governance practices and structures ensure we meet the principles and requirements of the Public Governance, Performance and Accountability Act 2013 (PGPA Act).

Our Commissioner sets the ACNC’s direction and priorities and produces a corporate plan and annual performance statements.

Risk management is built into our practices as an essential component of sound management and good corporate governance. Our Enterprise Risk Management Framework and guidelines are based on the ATO Enterprise Risk Management Framework. They align with the ATO’s Risk Management Policy.

The ACNC comprises six directorates as well as the Executive. Each directorate has quality assurance processes and records its activities through business reporting obligations.

In 2020–21, we attended five ATO Audit and Risk Management Committee meetings. Our internal Management Committee met four times in 2020-21, as did the ACNC sub-committee of the ATO Audit and Risk Committee.

The ACNC is not a Commonwealth entity for the purposes of the Commonwealth Resources Management Framework and the PGPA Act. The Commissioner of Taxation is the Accountable Authority for the ACNC. The ATO includes information regarding the following in its annual report:

- Audit and Risk committee as required by section 17AG (2A) of the Public Governance, Performance and Accountability Rule 2014 (PGPA Rule)
- Fraud prevention as required by section 10 of the PGPA Rule

Ecologically sustainable development and environment performance

Our facilities and some of our assets are provided by the ATO under various agreements. We adopt the ATO’s environmental policies and the performance of those policies is included in the ATO’s annual report.

Financial management

For the purposes of the PGPA Act, the ACNC is listed as a program of the ATO.

Division 125 of the ACNC Act established an ACNC Special Account, which is an appropriation mechanism that sets aside an amount within the Consolidated Revenue Fund to be expended for the purposes of the ACNC Act.

The balance of the Special Account does not lapse at the end of the annual appropriation period.

The ACNC Special Account is administered in accordance with the Department of Finance guidelines.

The ATO assists us by providing financial and taxation management services through a memorandum of understanding.
We manage our financial affairs within the Department of Finance guidelines and ATO protocols.

Our appropriation in 2020-21 was $19.76 million. Our operating expenditure in 2020–21 was $14.5 million.

Table 5.1 sets out our expenditure by our cost centres. The ATO prepares annual financial statements in accordance with subsection 43(4) of the PGPA Act, which includes our financial information.

<table>
<thead>
<tr>
<th>Cost centre</th>
<th>Staff costs ($'000)</th>
<th>Supplier costs ($'000)</th>
<th>Total ($'000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive</td>
<td>877</td>
<td>50</td>
<td>927</td>
</tr>
<tr>
<td>Advisory Board</td>
<td>14</td>
<td>115</td>
<td>129</td>
</tr>
<tr>
<td>Registration</td>
<td>2,629</td>
<td>0</td>
<td>2,629</td>
</tr>
<tr>
<td>Corporate Services</td>
<td>-333(^1)</td>
<td>1,393</td>
<td>1,060</td>
</tr>
<tr>
<td>Education and Public Affairs</td>
<td>715</td>
<td>83</td>
<td>798</td>
</tr>
<tr>
<td>Advice Services</td>
<td>1,649</td>
<td>97</td>
<td>1,746</td>
</tr>
<tr>
<td>Information Technology</td>
<td>758</td>
<td>1,914</td>
<td>2,672</td>
</tr>
<tr>
<td>Reporting and Red Tape Reduction</td>
<td>811</td>
<td>2</td>
<td>813</td>
</tr>
<tr>
<td>Compliance (including Compliance Reviews)</td>
<td>1,903</td>
<td>3</td>
<td>1,906</td>
</tr>
<tr>
<td>Legal and Policy</td>
<td>726</td>
<td>12</td>
<td>738</td>
</tr>
<tr>
<td>Deductible Gift Recipient Reform</td>
<td>792</td>
<td>104</td>
<td>896</td>
</tr>
<tr>
<td>Litigation</td>
<td>0</td>
<td>230</td>
<td>230</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>10,541</strong></td>
<td><strong>4,003</strong></td>
<td><strong>14,544</strong></td>
</tr>
</tbody>
</table>

1 This negative figure is the result of leave liability transfers between the ATO and the ACNC.
Compliance reporting

In 2020–21 there were no significant instances of non-compliance to report.

Asset management

We have our own appropriation which provides financial transparency. Our assets are managed in accordance with the ATO’s policies and are reported in the ATO’s financial statements.

Purchasing and consultancies

We make decisions regarding our budget independently of the ATO. We purchase the goods and services required to support our operations using the ATO’s procurement policies and processes, in line with the requirements of the PGPA Act. This includes consultancies, contractors, travel, information technology, legal and advertising. The ATO includes the procurement details in its annual report.

Procurement initiatives to support small business

We support small business participation in the Commonwealth Government procurement market.

We ensure that procurements are communicated in clear language, presented in an accessible format and do not unfairly discriminate against Small and Medium Enterprises (SME).

We recognise the importance of ensuring that small businesses are paid on time. We use electronic systems and corporate credit cards to facilitate timely payments to suppliers.

The results of the Survey of Australian Government Payments to Small Business are available on Treasury’s website. SME participation statistics are available on the Department of Finance’s website.

Grants

In 2020–21 we did not award any grants.

Advertising

In 2020–21 we did not conduct any advertising campaigns.
6 · Our people
ACNC staff

We are a national regulator that operates primarily from one location in Melbourne.

We are proud of the expertise and contribution of our diverse workforce, which has helped us deliver quality services to the charity sector and the Australian public.

At 30 June 2021, the ACNC full-time equivalent (FTE) staff number was 97.22.

<table>
<thead>
<tr>
<th>Cost centre</th>
<th>FTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive</td>
<td>5</td>
</tr>
<tr>
<td>Advice Services</td>
<td>17</td>
</tr>
<tr>
<td>Corporate Services</td>
<td>5</td>
</tr>
<tr>
<td>Compliance</td>
<td>20.22</td>
</tr>
<tr>
<td>Registration</td>
<td>19.07</td>
</tr>
<tr>
<td>Information Technology</td>
<td>7</td>
</tr>
<tr>
<td>Education and Public Affairs</td>
<td>5.92</td>
</tr>
<tr>
<td>Reporting and Red Tape Reduction</td>
<td>6</td>
</tr>
<tr>
<td>Legal and Policy</td>
<td>6.2</td>
</tr>
<tr>
<td>Deductible Gift Recipient Reform</td>
<td>5.81</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>97.22</strong></td>
</tr>
</tbody>
</table>

Table 6.2: Headcount by classification level and gender

<table>
<thead>
<tr>
<th>Classification</th>
<th>Female</th>
<th>Male</th>
<th>Gender X</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>APS4</td>
<td>14</td>
<td>5</td>
<td>0</td>
<td>19</td>
</tr>
<tr>
<td>APS5</td>
<td>22</td>
<td>6</td>
<td>0</td>
<td>28</td>
</tr>
<tr>
<td>APS6</td>
<td>18</td>
<td>14</td>
<td>1</td>
<td>33</td>
</tr>
<tr>
<td>EL1</td>
<td>15</td>
<td>14</td>
<td>0</td>
<td>29</td>
</tr>
<tr>
<td>EL2</td>
<td>3</td>
<td>3</td>
<td>0</td>
<td>6</td>
</tr>
<tr>
<td>SES1</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>SES2</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>1\textsuperscript{2}</td>
</tr>
<tr>
<td>COMM</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>74</strong></td>
<td><strong>43</strong></td>
<td><strong>1</strong></td>
<td><strong>118</strong></td>
</tr>
</tbody>
</table>

\textsuperscript{2} The SES2 position is due to backfilling the commissioner’s role and is not permanently in the ACNC staff structure.
Table 6.3: Headcount by employee type

<table>
<thead>
<tr>
<th>Employee type</th>
<th>Headcount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Statutory appointee</td>
<td>1</td>
</tr>
<tr>
<td>Ongoing full time</td>
<td>85</td>
</tr>
<tr>
<td>Ongoing part time</td>
<td>14</td>
</tr>
<tr>
<td>Non-ongoing full time</td>
<td>18</td>
</tr>
<tr>
<td>Non-ongoing part time</td>
<td>0</td>
</tr>
<tr>
<td>Secondment from ATO full time</td>
<td>0</td>
</tr>
<tr>
<td>Secondment from ATO part time</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>118</strong></td>
</tr>
</tbody>
</table>

ATO staff

The ACNC is the independent regulator of charities in Australia and is staffed by ATO employees. The ATO’s annual report has the full suite of staff statistics.

Diversity and inclusion

We recognise that one of our greatest assets is the diversity our staff bring to the organisation. By embracing our differences, we support everyone to realise their full potential.

Building an inclusive workplace promotes improved productivity, greater creativity and innovation, higher employee wellbeing and engagement, and leads to reduced employee turnover. It is also important that we reflect the community we regulate.

We strive to be a leader in diversity and inclusion in the Australian Public Service. This commitment is represented by all our employees, and collectively we are ethical, respectful and supportive.

We have programs to support an inclusive work environment, which includes a focus on:

- Aboriginal and Torres Strait Islander peoples
- employees living with disability
- gender equality
- cultural and linguistic diversity
- lesbian, gay, bisexual, transgender and intersex (LGBTI+) staff
- mature-age people.

We encourage our managers and employees to report bullying, harassment and discrimination. We are confident in their ability to identify and report inappropriate behaviour.
Indigenous staff

We use and support the ATO’s Reconciliation Action Plan 2018–20, which includes activities to improve opportunities to empower Aboriginal and Torres Strait Islander staff and suppliers. Our activities also included supporting NAIDOC week.

We aim to maintain a minimum of two Aboriginal Liaison Officer positions. As stated in our Aboriginal and Torres Strait Islander Communities Engagement Strategy Action Plan, we endeavour to achieve Aboriginal and Torres Strait Islander staffing levels that reflect the proportion of registered charities that are Indigenous-controlled (approximately 5%).

At 30 June 2021, we had three ongoing staff members that identify as Indigenous Australians.

Through partnering with the ATO, we have maintained our ability to deliver a tailored service to this community and reinforced a workplace culture that understands and values the contribution of Indigenous Australians. Our Aboriginal Liaison Officers work closely with ORIC to ensure Indigenous Corporation data on the Charity Register is kept up to date.

Staff with a disability

We are committed to building a disability-confident culture by developing the right attitudes, behaviours, systems and knowledge to support the inclusion of current and prospective employees with disability. We use and support the ATO’s Diversity and Inclusion Plan 2017–19, which was being updated at 30 June 2021.

Separation and recruitment

In 2020–21, our staff retention rate was 91.5%. This is an increase on the rate of 77.10% in 2019–20.

Reward and recognition

Our reward and recognition program is part of our performance review cycle.

The program is intended to positively influence employees by highlighting exceptional performance. Several informal awards are also available to recognise employee contributions throughout the year. These include ‘employee of the moment’ recognition and ‘thank you’ cards.

Training

We run an academic support program called the Higher Value Education Program. This program provides financial support for accredited training.

In 2020–21, we provided our staff with a range of targeted training courses, including courses on resilience, appropriate workplace behaviours, and mental health for staff and managers.

Enterprise agreement

The ACNC operates under the ATO Enterprise Agreement 2017, which complies with the APS-bargaining framework. It aims to promote efficiency and effectiveness, to contribute to achieving the organisation’s policy and program outcomes, and to enhance the quality of employees’ work-life balance.
### Table 6.4: The salary ranges available for ACNC employees by classification level at 30 June 2021

<table>
<thead>
<tr>
<th>Classification</th>
<th>Lower</th>
<th>Upper</th>
</tr>
</thead>
<tbody>
<tr>
<td>APS4</td>
<td>$70,248</td>
<td>$76,243</td>
</tr>
<tr>
<td>APS5</td>
<td>$78,314</td>
<td>$83,022</td>
</tr>
<tr>
<td>APS6</td>
<td>$84,556</td>
<td>$97,085</td>
</tr>
<tr>
<td>EL1</td>
<td>$108,307</td>
<td>$118,077</td>
</tr>
<tr>
<td>EL2</td>
<td>$130,343</td>
<td>$155,258</td>
</tr>
</tbody>
</table>

### Executive remuneration

The ACNC Commissioner’s remuneration is determined by the Australian Government Remuneration Tribunal.

The PGPA Rule about executive remuneration has been amended to improve the transparency of Commonwealth executive remuneration arrangements in annual reports.

For the purposes of the PGPA Act, the ACNC is listed as a program of the ATO. However, the ACNC Commissioner is not included in the ATO’s annual report. For completeness of information and greater transparency, we include the ACNC Commissioner’s total remuneration here. For 2020–21, the Commissioner’s remuneration was $342,9763.

Other ACNC Executive remuneration arrangements adhere to the ATO’s Senior Executive Service guidelines and are set out in the ATO’s annual report.

---

3 The legislation that sets out the remuneration for certain statutory office holders is at [legislation.gov.au/Details/F2020C00430](legislation.gov.au/Details/F2020C00430)

### ACNC Advisory Board member remuneration

The ACNC’s Advisory Board members are appointed by the Treasurer, and remuneration is determined by the Remuneration Tribunal. Information about their remuneration can be found on the Australian Government Remuneration Tribunal website at [remtribunal.gov.au](remtribunal.gov.au).
Appendix
Appendix – PGPA Rule annual report requirements for 2020–21

This table sets out what non-corporate Commonwealth entities are required to include in their annual reports for the 2020–21 reporting period. Page references show where this report meets the requirements and are provided for easy reader access.

The ACNC is not a non-corporate Commonwealth entity and the Commissioner of Taxation is its Accountable Authority. Wherever possible we adhere to the following requirements:

<table>
<thead>
<tr>
<th>PGPA Rule Reference</th>
<th>Part of Report</th>
<th>Description</th>
<th>Requirement</th>
<th>Page number</th>
</tr>
</thead>
<tbody>
<tr>
<td>17AD(g)</td>
<td></td>
<td>Letter of transmittal</td>
<td></td>
<td></td>
</tr>
<tr>
<td>17AI</td>
<td></td>
<td>A copy of the letter of transmittal signed and dated by accountable authority on date final text approved, with statement that the report has been prepared in accordance with section 46 of the Act and any enabling legislation that specifies additional requirements in relation to the annual report</td>
<td>Mandatory</td>
<td>II</td>
</tr>
<tr>
<td>17AD(h)</td>
<td></td>
<td>Aids to access</td>
<td></td>
<td></td>
</tr>
<tr>
<td>17AJ(a)</td>
<td></td>
<td>Table of contents</td>
<td>Mandatory</td>
<td>IV–V</td>
</tr>
<tr>
<td>17AJ(b)</td>
<td></td>
<td>Alphabetical index</td>
<td>Mandatory</td>
<td>60</td>
</tr>
<tr>
<td>17AJ(c)</td>
<td></td>
<td>Glossary of abbreviations and acronyms</td>
<td>Mandatory</td>
<td>58</td>
</tr>
<tr>
<td>17AJ(d)</td>
<td></td>
<td>List of requirements</td>
<td>Mandatory</td>
<td>48–57</td>
</tr>
<tr>
<td>17AJ(e)</td>
<td></td>
<td>Details of contact officer</td>
<td>Mandatory</td>
<td>II</td>
</tr>
<tr>
<td>17AJ(f)</td>
<td></td>
<td>Entity’s website address</td>
<td>Mandatory</td>
<td>II</td>
</tr>
<tr>
<td>17AJ(g)</td>
<td></td>
<td>Electronic address of report</td>
<td>Mandatory</td>
<td>II</td>
</tr>
<tr>
<td>17AD(a)</td>
<td></td>
<td>Review by accountable authority</td>
<td>Mandatory</td>
<td>2–3</td>
</tr>
<tr>
<td>17AD(b)</td>
<td></td>
<td>Overview of the entity</td>
<td>Mandatory</td>
<td></td>
</tr>
<tr>
<td>17AE(1)(a)(i)</td>
<td></td>
<td>A description of the role and functions of the entity</td>
<td>Mandatory</td>
<td>6–7</td>
</tr>
</tbody>
</table>


<table>
<thead>
<tr>
<th>PGPA Rule Reference</th>
<th>Part of Report</th>
<th>Description</th>
<th>Requirement</th>
<th>Page number</th>
</tr>
</thead>
<tbody>
<tr>
<td>17AE(1)(a)(ii)</td>
<td></td>
<td>A description of the organisational structure of the entity</td>
<td>Mandatory</td>
<td>9–10</td>
</tr>
<tr>
<td>17AE(1)(a)(iii)</td>
<td></td>
<td>A description of the outcomes and programmes administered by the entity</td>
<td>Mandatory</td>
<td>14</td>
</tr>
<tr>
<td>17AE(1)(a)(iv)</td>
<td></td>
<td>A description of the purposes of the entity as included in corporate plan</td>
<td>Mandatory</td>
<td>14</td>
</tr>
<tr>
<td>17AE(1)(aa)(i)</td>
<td></td>
<td>Name of the accountable authority or each member of the accountable authority</td>
<td>Mandatory</td>
<td>8, 38</td>
</tr>
<tr>
<td>17AE(1)(aa)(ii)</td>
<td></td>
<td>Position title of the accountable authority or each member of the accountable authority</td>
<td>Mandatory</td>
<td>8, 38</td>
</tr>
<tr>
<td>17AE(1)(aa)(iii)</td>
<td></td>
<td>Period as the accountable authority or member of the accountable authority within the reporting period</td>
<td>Mandatory</td>
<td>8</td>
</tr>
<tr>
<td>17AE(1)(b)</td>
<td></td>
<td>An outline of the structure of the portfolio of the entity</td>
<td>Mandatory for Portfolio departments</td>
<td>N/A</td>
</tr>
<tr>
<td>17AE(2)</td>
<td></td>
<td>Where the outcomes and programs administered by the entity differ from any Portfolio Budget Statement, Portfolio Additional Estimates Statement or other portfolio estimates statement that was prepared for the entity for the period, include details of variation and reasons for change</td>
<td>If applicable, mandatory</td>
<td>N/A</td>
</tr>
</tbody>
</table>

**17AD(c)** Report on the performance of the entity

**Annual Performance Statements**

| 17AD(c)(i);16F      |               | Annual performance statement in accordance with paragraph 39(1)(b) of the Act and section 16F of the Rule | Mandatory | 14–34 |

**17AD(c)(ii)** Report on financial performance

<p>| 17AF(1)(a)          |               | A discussion and analysis of the entity's financial performance | Mandatory | 38–39 |
| 17AF(1)(b)          |               | A table summarising the total resources and total payments of the entity | Mandatory | 39    |</p>
<table>
<thead>
<tr>
<th>PGPA Rule Reference</th>
<th>Part of Report</th>
<th>Description</th>
<th>Requirement</th>
<th>Page number</th>
</tr>
</thead>
<tbody>
<tr>
<td>17AF(2)</td>
<td></td>
<td>If there may be significant changes in the financial results during or after the previous or current reporting period, information on those changes, including: the cause of any operating loss of the entity; how the entity has responded to the loss and the actions that have been taken in relation to the loss; and any matter or circumstances that it can reasonably be anticipated will have a significant impact on the entity’s future operation or financial results</td>
<td>If applicable, mandatory</td>
<td>N/A</td>
</tr>
<tr>
<td>17AD(d)</td>
<td>Management and accountability</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Corporate governance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>17AG(2)(a)</td>
<td></td>
<td>Information on compliance with section 10 (fraud systems)</td>
<td>Mandatory</td>
<td>Included in the ATO's Annual Report</td>
</tr>
<tr>
<td>17AG(2)(b)(i)</td>
<td></td>
<td>A certification by accountable authority that fraud risk assessments and fraud control plans have been prepared</td>
<td>Mandatory</td>
<td>38</td>
</tr>
<tr>
<td>17AG(2)(b)(ii)</td>
<td></td>
<td>A certification by accountable authority that appropriate mechanisms for preventing, detecting incidents of, investigating or otherwise dealing with, and recording or reporting fraud that meet the specific needs of the entity are in place</td>
<td>Mandatory</td>
<td>38</td>
</tr>
<tr>
<td>17AG(2)(b)(iii)</td>
<td></td>
<td>A certification by accountable authority that all reasonable measures have been taken to deal appropriately with fraud relating to the entity</td>
<td>Mandatory</td>
<td>38</td>
</tr>
<tr>
<td>17AG(2)(c)</td>
<td></td>
<td>An outline of structures and processes in place for the entity to implement principles and objectives of corporate governance</td>
<td>Mandatory</td>
<td>38</td>
</tr>
<tr>
<td>17AG(2)(d) – (e)</td>
<td></td>
<td>A statement of significant issues reported to Minister under paragraph 19(1)(e) of the Act that relates to non compliance with Finance law and action taken to remedy non compliance</td>
<td>If applicable, mandatory</td>
<td>N/A</td>
</tr>
<tr>
<td>PGPA Rule Reference</td>
<td>Part of Report</td>
<td>Description</td>
<td>Requirement</td>
<td>Page number</td>
</tr>
<tr>
<td>---------------------</td>
<td>---------------</td>
<td>-------------</td>
<td>-------------</td>
<td>-------------</td>
</tr>
<tr>
<td>Audit Committee</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>17AG(2A)(a)</td>
<td></td>
<td>A direct electronic address of the charter determining the functions of the entity’s audit committee</td>
<td>Mandatory</td>
<td>Included in the ATO's Annual Report</td>
</tr>
<tr>
<td>17AG(2A)(b)</td>
<td></td>
<td>The name of each member of the entity’s audit committee.</td>
<td>Mandatory</td>
<td>Included in the ATO's Annual Report</td>
</tr>
<tr>
<td>17AG(2A)(c)</td>
<td></td>
<td>The qualifications, knowledge, skills or experience of each member of the entity’s audit committee</td>
<td>Mandatory</td>
<td>Included in the ATO's Annual Report</td>
</tr>
<tr>
<td>17AG(2A)(d)</td>
<td></td>
<td>Information about the attendance of each member of the entity’s audit committee at committee meetings</td>
<td>Mandatory</td>
<td>Included in the ATO's Annual Report</td>
</tr>
<tr>
<td>17AG(2A)(e)</td>
<td></td>
<td>The remuneration of each member of the entity’s audit committee</td>
<td>Mandatory</td>
<td>Included in the ATO's Annual Report</td>
</tr>
<tr>
<td>External scrutiny</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>17AG(3)</td>
<td></td>
<td>Information on the most significant developments in external scrutiny and the entity’s response to the scrutiny</td>
<td>Mandatory</td>
<td>36</td>
</tr>
<tr>
<td>17AG(3)(a)</td>
<td></td>
<td>Information on judicial decisions and decisions of administrative tribunals and by the Australian Information Commissioner that may have a significant effect on the operations of the entity</td>
<td>If applicable, mandatory</td>
<td>36</td>
</tr>
<tr>
<td>17AG(3)(b)</td>
<td></td>
<td>Information on any reports on operations of the entity by the Auditor General (other than report under section 43 of the Act), a Parliamentary Committee, or the Commonwealth Ombudsman</td>
<td>If applicable, mandatory</td>
<td>3, 36</td>
</tr>
<tr>
<td>17AG(3)(c)</td>
<td></td>
<td>Information on any capability reviews on the entity that were released during the period</td>
<td>If applicable, mandatory</td>
<td>3, 36</td>
</tr>
<tr>
<td>Management of human resources</td>
<td></td>
<td>An assessment of the entity’s effectiveness in managing and developing employees to achieve entity objectives</td>
<td>Mandatory</td>
<td>42–45</td>
</tr>
<tr>
<td>PGPA Rule Reference</td>
<td>Part of Report</td>
<td>Description</td>
<td>Requirement</td>
<td>Page number</td>
</tr>
<tr>
<td>---------------------</td>
<td>----------------</td>
<td>-------------</td>
<td>-------------</td>
<td>-------------</td>
</tr>
</tbody>
</table>
| 17AG(4)(aa)         |                | Statistics on the entity's employees on an ongoing and non-ongoing basis, including the following:  
a. statistics on full-time employees  
b. statistics on part-time employees  
c. statistics on gender  
d. statistics on staff location | Mandatory | 43 |
| 17AG(4)(b)          |                | Statistics on the entity's APS employees on an ongoing and non-ongoing basis; including the following:  
a. statistics on staffing classification level  
b. statistics on fulltime employees  
c. statistics on part-time employees  
d. statistics on gender  
e. statistics on staff location  
f. statistics on employees who identify as Indigenous | Mandatory | 43–44 |
<p>| 17AG(4)(c)          |                | Information on any enterprise agreements, individual flexibility arrangements, Australian workplace agreements, common law contracts and determinations under subsection 24(1) of the <em>Public Service Act 1999</em> | Mandatory | 44 |
| 17AG(4)(c)(i)       |                | Information on the number of SES and non-SES employees covered by agreements etc. identified in paragraph 17AG(4)(c) | Mandatory | 45 |
| 17AG(4)(c)(ii)      |                | The salary ranges available for APS employees by classification level | Mandatory | 45 |
| 17AG(4)(c)(iii)     |                | A description of non-salary benefits provided to employees | Mandatory | 45 |
| 17AG(4)(d)(i)       |                | Information on the number of employees at each classification level who received performance pay | If applicable, mandatory | N/A |
| 17AG(4)(d)(ii)      |                | Information on aggregate amounts of performance pay at each classification level | If applicable, mandatory | N/A |</p>
<table>
<thead>
<tr>
<th>PGPA Rule Reference</th>
<th>Part of Report</th>
<th>Description</th>
<th>Requirement</th>
<th>Page number</th>
</tr>
</thead>
<tbody>
<tr>
<td>17AG(4)(d)(iii)</td>
<td></td>
<td>Information on the average amount of performance payment, and range of such payments, at each classification level</td>
<td>If applicable, mandatory</td>
<td>N/A</td>
</tr>
<tr>
<td>17AG(4)(d)(iv)</td>
<td></td>
<td>Information on aggregate amount of performance payments</td>
<td>If applicable, mandatory</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Assets management</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>17AG(5)</td>
<td></td>
<td>An assessment of effectiveness of assets management where asset management is a significant part of the entity’s activities</td>
<td>If applicable, mandatory</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Purchasing</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>17AG(6)</td>
<td></td>
<td>An assessment of entity performance against the Commonwealth Procurement Rules</td>
<td>Mandatory</td>
<td>40</td>
</tr>
<tr>
<td><strong>Reportable consultancy contracts</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>17AG(7)(a)</td>
<td></td>
<td>A summary statement detailing the number of new reportable consultancy contracts entered into during the period; the total actual expenditure on all such contracts (inclusive of GST); the number of ongoing reportable consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting period on those ongoing contracts (inclusive of GST)</td>
<td>Mandatory</td>
<td>Included in the ATO’s Annual Report</td>
</tr>
<tr>
<td>17AG(7)(b)</td>
<td></td>
<td>A statement that “During [reporting period], [specified number] new reportable consultancy contracts were entered into involving total actual expenditure of $[specified million]. In addition, [specified number] ongoing reportable consultancy contracts were active during the period, involving total actual expenditure of $[specified million]”</td>
<td>Mandatory</td>
<td>Included in the ATO’s Annual Report</td>
</tr>
<tr>
<td>PGPA Rule Reference</td>
<td>Part of Report</td>
<td>Description</td>
<td>Requirement</td>
<td>Page number</td>
</tr>
<tr>
<td>---------------------</td>
<td>---------------</td>
<td>-------------</td>
<td>-------------</td>
<td>-------------</td>
</tr>
<tr>
<td>17AG(7)(c)</td>
<td></td>
<td>A summary of the policies and procedures for selecting and engaging consultants and the main categories of purposes for which consultants were selected and engaged</td>
<td>Mandatory</td>
<td>Included in the ATO’s Annual Report</td>
</tr>
<tr>
<td>17AG(7)(d)</td>
<td></td>
<td>A statement that “Annual reports contain information about actual expenditure on reportable consultancy contracts. Information on the value of reportable consultancy contracts is available on the AusTender website”</td>
<td>Mandatory</td>
<td>Included in the ATO’s Annual Report</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Reportable non-consultancy contracts</td>
<td></td>
<td></td>
</tr>
<tr>
<td>17AG(7A)(a)</td>
<td></td>
<td>A summary statement detailing the number of new reportable non-consultancy contracts entered into during the period; the total actual expenditure on such contracts (inclusive of GST); the number of ongoing reportable non consultancy contracts that were entered into during a previous reporting period; and the total actual expenditure in the reporting period on those ongoing contracts (inclusive of GST)</td>
<td>Mandatory</td>
<td>Included in the ATO’s Annual Report</td>
</tr>
<tr>
<td>17AG(7A)(b)</td>
<td></td>
<td>A statement that “Annual reports contain information about actual expenditure on reportable non-consultancy contracts. Information on the value of reportable non consultancy contracts is available on the AusTender website”</td>
<td>Mandatory</td>
<td>Included in the ATO’s Annual Report</td>
</tr>
<tr>
<td>17AD(daa)</td>
<td>Additional information about organisations receiving amounts under reportable consultancy contracts or reportable non consultancy contracts</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>17AGA</td>
<td>Additional information, in accordance with section 17AGA, about organisations receiving amounts under reportable consultancy contracts or reportable non consultancy contracts</td>
<td>Mandatory</td>
<td>Included in the ATO’s Annual Report</td>
<td></td>
</tr>
<tr>
<td>PGPA Rule Reference</td>
<td>Part of Report</td>
<td>Description</td>
<td>Requirement</td>
<td>Page number</td>
</tr>
<tr>
<td>---------------------</td>
<td>----------------</td>
<td>------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>-----------------</td>
<td>-------------</td>
</tr>
<tr>
<td>17AG(8)</td>
<td></td>
<td>If an entity entered into a contract with a value of more than $100,000 (inclusive of GST) and the contract did not provide the Auditor General with access to the contractor’s premises, the report must include the name of the contractor, purpose and value of the contract, and the reason why a clause allowing access was not included in the contract</td>
<td>If applicable, mandatory</td>
<td>40</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Included in the ATO’s Annual Report</td>
<td></td>
</tr>
<tr>
<td>17AG(9)</td>
<td></td>
<td>If an entity entered into a contract or there is a standing offer with a value greater than $10,000 (inclusive of GST) which has been exempted from being published in AusTender because it would disclose exempt matters under the FOI Act, the annual report must include a statement that the contract or standing offer has been exempted, and the value of the contract or standing offer, to the extent that doing so does not disclose the exempt matters</td>
<td>If applicable, mandatory</td>
<td>40</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Included in the ATO’s Annual Report</td>
<td></td>
</tr>
<tr>
<td>17AG(10)(a)</td>
<td></td>
<td>A statement that “[Name of entity] supports small business participation in the Commonwealth Government procurement market. Small and Medium Enterprises (SME) and Small Enterprise participation statistics are available on the Department of Finance’s website”</td>
<td>Mandatory</td>
<td>40</td>
</tr>
<tr>
<td>17AG(10)(b)</td>
<td></td>
<td>An outline of the ways in which the procurement practices of the entity support small and medium enterprises</td>
<td>Mandatory</td>
<td>40</td>
</tr>
<tr>
<td>PGPA Rule Reference</td>
<td>Part of Report</td>
<td>Description</td>
<td>Requirement</td>
<td>Page number</td>
</tr>
<tr>
<td>---------------------</td>
<td>----------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>----------------------</td>
<td>-------------</td>
</tr>
<tr>
<td>17AG(10)(c)</td>
<td></td>
<td>If the entity is considered by the Department administered by the Finance Minister as material in nature – a statement that “[Name of entity] recognises the importance of ensuring that small businesses are paid on time. The results of the Survey of Australian Government Payments to Small Business are available on the Treasury’s website”</td>
<td>If applicable, mandatory</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Financial statements</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>17AD(e)</td>
<td></td>
<td>Inclusion of the annual financial statements in accordance with subsection 43(4) of the Act</td>
<td>Mandatory</td>
<td>39</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Executive remuneration</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>17AD(da)</td>
<td></td>
<td>Information about executive remuneration in accordance with Subdivision C of Division 3A of Part 2–3 of the Rule</td>
<td>Mandatory</td>
<td>45</td>
</tr>
<tr>
<td>17AD(f)</td>
<td></td>
<td><strong>Other mandatory information</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>17AH(1)(a)(i)</td>
<td></td>
<td>If the entity conducted advertising campaigns, a statement that “During [reporting period], the [name of entity] conducted the following advertising campaigns: [name of advertising campaigns undertaken]. Further information on those advertising campaigns is available at [address of entity’s website] and in the reports on Australian Government advertising prepared by the Department of Finance. Those reports are available on the Department of Finance’s website”</td>
<td>If applicable, mandatory</td>
<td>N/A</td>
</tr>
<tr>
<td>17AH(1)(a)(ii)</td>
<td></td>
<td>If the entity did not conduct advertising campaigns, a statement to that effect</td>
<td>If applicable, mandatory</td>
<td>40</td>
</tr>
<tr>
<td>17AH(1)(b)</td>
<td></td>
<td>A statement that “Information on grants awarded by [name of entity] during [reporting period] is available at [address of entity’s website]”</td>
<td>If applicable, mandatory</td>
<td>40</td>
</tr>
<tr>
<td>PGPA Rule Reference</td>
<td>Part of Report</td>
<td>Description</td>
<td>Requirement</td>
<td>Page number</td>
</tr>
<tr>
<td>---------------------</td>
<td>----------------</td>
<td>-------------</td>
<td>-------------</td>
<td>-------------</td>
</tr>
<tr>
<td>17AH(1)(c)</td>
<td></td>
<td>Outline of mechanisms of disability reporting, including reference to website for further information</td>
<td>Mandatory</td>
<td>44</td>
</tr>
<tr>
<td>17AH(1)(d)</td>
<td></td>
<td>Website reference to where the entity’s Information Publication Scheme statement pursuant to Part II of FOI Act can be found</td>
<td>Mandatory</td>
<td>36</td>
</tr>
<tr>
<td>17AH(1)(e)</td>
<td></td>
<td>Correction of material errors in previous annual report</td>
<td>If applicable, mandatory</td>
<td>N/A</td>
</tr>
<tr>
<td>17AH(2)</td>
<td></td>
<td>Information required by other legislation</td>
<td>Mandatory</td>
<td>36</td>
</tr>
</tbody>
</table>
### Glossary

<table>
<thead>
<tr>
<th>Term</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>AAT</td>
<td>Administrative Appeals Tribunal</td>
</tr>
<tr>
<td>AC</td>
<td>Companion of the Order of Australia</td>
</tr>
<tr>
<td>ACNC</td>
<td>Australian Charities and Not-for-profits Commission</td>
</tr>
<tr>
<td>ACNC Act</td>
<td><em>Australian Charities and Not-for-Profits Commission Act 2012</em> (Cth)</td>
</tr>
<tr>
<td>Annual Information Statement</td>
<td>The annual statement that registered charities are required to provide to the ACNC.</td>
</tr>
<tr>
<td>APS</td>
<td>Australian Public Service</td>
</tr>
<tr>
<td>ASIC</td>
<td>Australian Securities and Investments Commission</td>
</tr>
<tr>
<td>ATO</td>
<td>Australian Taxation Office</td>
</tr>
<tr>
<td>Board</td>
<td>ACNC Advisory Board</td>
</tr>
<tr>
<td>CATSI Act</td>
<td><em>Corporations (Aboriginal and Torres Strait Islander) Act 2006</em> (Cth)</td>
</tr>
<tr>
<td>Charities Act</td>
<td><em>Charities Act 2013</em> (Cth)</td>
</tr>
<tr>
<td>Charity</td>
<td>An entity defined in section 5 of the Charities Act. Broadly speaking, a not-for-profit entity that has charitable purposes for the public benefit, that does not have any disqualifying purposes and that is not an individual, political party or a government entity (see also Registered charity).</td>
</tr>
<tr>
<td>Charity Passport</td>
<td>A mechanism by which the ACNC shares publicly available charity information with other government agencies. An integral part of the ACNC’s ‘report once, use often’ approach to reporting.</td>
</tr>
<tr>
<td>Charity Portal</td>
<td>An online portal in which charities update details and submit reports and information to the ACNC.</td>
</tr>
<tr>
<td>Charity Register</td>
<td>A freely available, online public database of information about the charities registered with the ACNC.</td>
</tr>
<tr>
<td>Dr</td>
<td>Doctor</td>
</tr>
<tr>
<td>FOI</td>
<td>Freedom of information</td>
</tr>
<tr>
<td>FTE</td>
<td>Full-time equivalent staff number</td>
</tr>
<tr>
<td>FOI Act</td>
<td><em>Freedom of Information Act 1982</em> (Cth)</td>
</tr>
<tr>
<td>Abbreviation</td>
<td>Full Form</td>
</tr>
<tr>
<td>--------------</td>
<td>-----------</td>
</tr>
<tr>
<td>Hon</td>
<td>The Honourable</td>
</tr>
<tr>
<td>IPS</td>
<td>Information Publication Scheme</td>
</tr>
<tr>
<td>IT</td>
<td>Information technology</td>
</tr>
<tr>
<td>MOU</td>
<td>Memorandum/a of Understanding</td>
</tr>
<tr>
<td>MP</td>
<td>member of parliament</td>
</tr>
<tr>
<td>NFP</td>
<td>Not-for-profit</td>
</tr>
<tr>
<td>PBS</td>
<td>Portfolio Budget Statements</td>
</tr>
<tr>
<td>PGPA Act</td>
<td><em>Public Governance, Performance and Accountability Act 2013</em> (Cth)</td>
</tr>
<tr>
<td>Registered charity</td>
<td>A charity registered with the ACNC. Referred to in this report in context as a ‘charity’</td>
</tr>
<tr>
<td>SES</td>
<td>Senior Executive Service</td>
</tr>
</tbody>
</table>
## Index

### A
- Aboriginal and Torres Strait Islander Communities Engagement Strategy Action Plan, 44
- about us, 6
- Accountable Authority for ACNC, 38
- ACNC Charity Register, 6
- ACNC Special Account, 38
- activities, 7, 14
- Administrative Appeals Tribunal review, 36
- advertising, 40
- Adviser Forum, 28
- Advisory Board, 11–12
  - appointment of members, 11
  - ex officio members, 12
  - general members, 11–12
  - meetings of, 11
  - membership, 11
  - remuneration of members, 45
- Advisory Board Chair’s review, 4
- Alberti, Dr Susan AC, 12
- analysis of performance, 26–9
  - Charity Register, 29
- annual financial reports, examinations of, 25
- Annual Information Statement, 2, 24
  - group reporting, 32
  - program questions, 32
  - timeliness of submissions, 16
- Annual Performance Statement, 13–34
- annual reporting, 24
- asset management, 40
- *Australian Charities and Not-for-profits Commission Act 2012 (Cth)*, 6
- *Australian Charities and Not-for-profits Commission Regulation 2013 (Cth)*, 6
- *Australian Charities Report (7th ed.)*, 2, 6, 26
- Australian Taxation Office (ATO)
  - Audit and Risk Management Committee meetings, 38
  - Diversity and Inclusion Plan 2017–19, 44
  - Enterprise Agreement 2017, 44
  - outcome statement, 14
  - program structure, 14
  - Reconciliation Action Plan 2016–20, 44
  - staffing of ACNC, 43

### B
- Barayamal (charity), 30
- bullying, harassment and discrimination, 43
- bushfire reviews, 23

### C
- charity/charities
  - classification of programs, 29
  - details about programs, 32
  - legal definition, 6
  - obligations of, 6
  - registration of, 17–18
- Charity Register, 3, 6, 10, 24, 28
  - 2021–22, 2–3
- Commissioner, 38
- Commissioner for Taxation as Accountable Authority for ACNC, 38
- Commissioner’s review, 2–3
- Commonwealth Government
  - support during pandemic, 4
- communicating with charities and public, 28
- compliance, 20–1
  - ‘compliance review’ and ‘self-audit’ programs, 20
- compliance reporting, 40
core purposes, 14
Corporate Plan 2020–21, 7, 14
court appeal, 36
COVID-19 pandemic, 2, 4
criterion result grading, 15

corporate governance, 37–40
courts, 36
courts, appeal, 36

correspondence, 26
corona virus, 2, 4
corona virus pandemic, 2, 4
corona virus crisis, 2, 4
corona virus disease, 2, 4
corona virus infections, 2, 4
corona virus outbreak, 2, 4
corona virus pandemic, 2, 4
corona virus crisis, 2, 4
corona virus disease, 2, 4
corona virus infections, 2, 4
corona virus outbreak, 2, 4

criterion result grading, 15
criteria, grades, 15

court appeal, 36

correspondence, 26
corona virus, 2, 4
corona virus pandemic, 2, 4
corona virus crisis, 2, 4
corona virus disease, 2, 4
corona virus infections, 2, 4
corona virus outbreak, 2, 4

corona virus, 2, 4
corona virus pandemic, 2, 4
corona virus crisis, 2, 4
corona virus disease, 2, 4
corona virus infections, 2, 4
corona virus outbreak, 2, 4

criterion result grading, 15

core purposes, 14
corporate governance, 37–40
O
objection decision, 36
organisation, 5–12
outcome and program, 14
P
people, 41–5; see also staff of ACNC
performance analysis, 17–18
performance reporting, 15–34
PGPA Rule annual report requirements, 48–57
phone call response time, 25, 26
Pigott, David, 12
podcasts, 27
procurement initiatives, 40
programs conducted by charities, 25
Public Benevolent Institution (PBI), 18–19
Public Governance, Performance and Accountability Act 2013 (Cth), 15, 38
publications about charities, 25, 26
purchasing and consultancies, 40
purpose and performance, 15–34
Purpose 1: Maintain and enhance public trust and confidence in the Australian not-for-profit sector, 16–24
Purpose 2: To support and sustain a robust, vibrant, independent and innovative Australian not-for-profit sector, 25–30
Purpose 3: Promote the reduction of unnecessary regulatory obligations on the Australian not-for-profit sector, 31–4
purpose and priorities, 14
purposes, 7
R
reduction of red tape, 31–4
registrations
of new charities, 16
revoked, 20–1
‘Regulation of Charities by the Australian Charities and Not-for-profits Commission’ (Auditor-General’s report 29 of 2019–2020), 3
Regulators Day, 28
regulatory obligations of charities, 6; see also reporting by charities
Regulatory Performance Framework, 31
reporting by charities, streamlining, 33
review and appeal process, 36
‘Reviewing Charities’ Financial Information and Annual Financial Reports’, 27
‘Reviews of Deductible Gift Recipient charities,’ 18
risk and risk management in charity sector, 21, 38
S
sector and charity meetings, 29
Sector Forum, 28
self-assessment of ACNC, 31
self-audit program, 22
self-evaluation tool, 22
Senate Estimates hearings, 36
small business procurement support, 40
social media, 29
Soula, Dini, 12
staff of ACNC, 42–4
by classification level and gender, 42
by cost centre, 42
with disability, 44
by employee type, 43
Indigenous, 44
retention rate, 44
reward and recognition program, 44
salary ranges by classification, 45
separation and recruitment, 44
training, 44
stakeholder engagement, 28
streamlining of reporting, 31–4
‘Strengthening for Purpose: Australian Charities and Not-for-profits Commission Legislation Review 2018,’ 3
structure of ACNC, 9–10; see also directorates
Stuart, Tony, 11
supporting capabilities, 7
unnecessary regulation, 31–4

values, 7
vision and values, 7
visits to regional charities, 30

Watson, Heather, 12
webinars, 26–7
website and pageviews, 28

year in review, 1–12