



# ACNC 2020-21 Regulator Performance Framework Self-assessment

## Contents

|   |    |
|---|----|
| Overview .....  | 2  |
| Executive summary .....   | 2  |
| Operating environment .....                                     | 3  |
| Methodology .....   | 4  |
| Areas for improvement identified in the 2019-20 RPF report..... | 5  |
| Overall assessment for the 2020-21 RPF report .....             | 6  |
| Appendix A: KPI self-assessment and analysis.....               | 8  |
| Appendix B: Summary of feedback from consultation .....         | 22 |

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## Overview

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

- KPI1: Regulators do not unnecessarily impede the efficient operation of regulated entities
- KPI2: Communication with regulated entities is clear, targeted and effective
- KPI3: Actions undertaken by regulators are proportionate to the regulatory risk being managed
- KPI4: Compliance and monitoring approaches are streamlined and co-ordinated
- KPI5: Regulators are open and transparent in their dealings with regulated entities
- KPI6: Regulators actively contribute to the continuous improvement of regulatory frameworks.

Achievement of the KPIs is demonstrated through evidence (metrics) that a regulator has acted in accordance with good regulatory practice, as articulated in the measures associated with each KPI. Regulators are required to assess their performance under the RPF each year. The Australian Charities and Not-for-profits Commission's (ACNC) results against each metric are detailed in **Appendix A**.

The body of this report summarises ACNC's performance against each KPI, grouped into the associated measures of good regulatory practice.

The Australian Government has recently refreshed how it sets out its expectations for regulator performance and reporting. The Regulator Performance Guide replaces the RPF. The ACNC has prepared a 2014 RPF report for the 2020–21 year and will integrate regulator performance into the corporate plan and annual report in future years.

## Executive summary

ACNC has assessed its regulatory performance as very good in 2020-21, in line with the 2019-20 assessment.

The report highlights a number of strengths where ACNC's performance was aligned with the expectations of the RPF including:

- Publication of the seventh annual Australian Charities Report highlighting the contribution of Australian charities to the Australian economy and communities both at home and abroad
- Providing transparency in all decision-making including supplying reasons for unfavourable regulatory decisions and providing independent review of decisions when objections are raised
- Implementation of the Government response to the 2018 ACNC Legislation review
- Implementation of the recommendations set out by the Australian National Audit Office from the performance audit of the ACNC's regulation of charities
- Implementation of Review and Self-Audit programs by Compliance. These programs increase the ACNC's ability to work with more charities to improve their compliance with 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)*

- Commencement of DGR Desktop Reviews to support DGR reform
- Charities will provide new information on charity programs in the 2020 AIS, to enhance the Charity Register
- Delivery of an online group Annual Information Statement (AIS) form
- Publishing the report on the Compliance bushfire reviews on the ACNC website, as well as promoting it through media
- Finalisation of the Annual Financial Report Disclosures – Best Practice guidance.

The report also highlights some opportunities for improvement including:

- Driving continuous improvements to ACNC's website, forms and the Charity Portal to ensure they deliver a reduction in compliance costs for the charity sector
- Continuing to provide resources to help charities to understand and address their key governance risks
- Implementation of recommendations of the legislative review and performance audit.

## Operating environment

As the independent Commonwealth regulator of charities, the ACNC is responsible for registering charities and administering the national regulatory framework for more than 59,000 charities. We work across governments to reduce unnecessary regulation and reporting requirements impacting charities. The ACNC publishes the information we collect to help the public understand the work of charities and to support the transparency and accountability of the sector. The ACNC has a key role in helping charities to understand their obligations and embed good practice governance into their operations. We develop a range of guidance materials and provide support via our multi-channel contact centre. When charities fail to comply with their obligations the ACNC will investigate and work with charities in support of corrective actions. In addition to continuing to deliver against our purposes, the ACNC will face some uncertainty. These uncertainties are being managed within the ACNC Risk Management Framework and include the following issues:

### **Coronavirus (COVID-19) Pandemic and natural disasters:**

Since its emergence in late 2019, COVID-19 has changed the way the ACNC and charities operate.

As a result of COVID-19, the Australian Government introduced a range of policies and measures that included financial support for affected charities.

Similarly, the ACNC introduced several measures to assist charities affected by COVID-19. We updated our regulatory approach and deferred the due date for Annual Information Statements. We also established a dedicated webpage with detailed guidance and information. We engaged with the sector and stakeholders to understand what we could do to support charities.

While our transitional regulatory approach ended on 31 December 2020, we recognise that many charities are still feeling the effects of COVID-19. Meeting the needs of communities affected by disasters is a key priority for charities. Accordingly, the ACNC works with charities to ensure robust

governance arrangements are embedded in their operations to help them to quickly adapt and respond during times of disaster. Where possible, we will support charities that operate in areas affected by natural disasters.

#### Government initiatives:

We will continue to work with the Australian Government to develop and implement its initiatives. This includes the already announced Deductible Gift Recipient (DGR) Reforms and the reviews of charities.

We will continue to work with stakeholders to implement other policy initiatives that affect charities. We will continue to support any changes that result from the Government's response to the ACNC Legislation Review 2018. In reviewing our processes, we will continue to consider the findings of the ANAO report, *Regulation of Charities by the Australian Charities and Not-for Profits Commission*.

#### Flexible working arrangements:

Due to COVID-19, the Australian Public Service (APS) workforce had to adapt to a new operating environment and position itself to handle a surge in demand for government services.

We helped staff to work from home and developed flexible work policies that ensured we could maintain operational requirements. We will continue to monitor the needs of staff to ensure they have the technology they need to provide seamless regulation of the charity sector.

## Methodology

ACNC's performance was assessed by senior ACNC officers, reviewed by ACNC directors, and endorsed by the Commissioner and Assistant Commissioner.

RPF self-assessments must also be validated through a process of consultation with an approved consultation mechanism. For ACNC, this is a combined mechanism of the Adviser Forum and the Sector Forum, comprised of professional advisers and charity representatives respectively.

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

| Symbol | Performance   |
|--------|---|
| ✓      | Target met or exceeded                                  |
| !      | Some elements of the target were met and issues managed |
| ✗      | No or minimal progress was made against the target      |

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

| Assessment                                       |
|--|
| Excellent, with no or minor room for improvement |
| Very good, with minor room for improvement       |
| Good, with some room for improvement             |

Fair, with significant room for improvement

Poor, with numerous significant areas for improvement identified

## Areas for improvement identified in the 2019-20 RPF report

In the 2019-20 RPF report, the following areas of improvement were identified for each KPI:

| No | KPI   | Assessment | Areas for improvement   |
|----|---|------------|---|
| 1  | Regulators do not unnecessarily impede the efficient operation of regulated entities    | Very good  | <ul style="list-style-type: none"> <li>Timely publication of the annual Australian Charities Report</li> <li>Ongoing improvements to ACNC's website, forms and the Charity Portal to ensure they deliver a reduction in compliance costs for the charity sector, this work will include the delivery of an online group Annual Information Statement (AIS) form.</li> </ul> |
| 2  | Communication with regulated entities is clear, targeted and effective                  | Very good  | <ul style="list-style-type: none"> <li>Identifying new opportunities to assist charities in meeting their compliance obligations</li> <li>Continuing to improve accessibility of web content including a complete review of content relating to reporting and reducing red tape.</li> </ul>   |
| 3  | Actions undertaken by regulators are proportionate to the regulatory risk being managed | Very good  | <ul style="list-style-type: none"> <li>Continuing to provide resources to help charities to understand and address their key governance risks.</li> </ul>   |
| 4  | Compliance and monitoring approaches are streamlined and co-ordinated                   | Very good  | <ul style="list-style-type: none"> <li>Ongoing improvements to annual reporting arrangements and Charity Portal</li> <li>Promote and expand the use of the Charity Passport.</li> </ul>   |
| 5  | Regulators are open and transparent in their dealings with regulated entities           | Very good  | <ul style="list-style-type: none"> <li>Improvements to the Charity Register and information which will be available</li> <li>Targeted education to assist with charities voluntary compliance.</li> </ul>   |
| 6  | Regulators actively contribute to the continuous improvement of regulatory frameworks   | Very good  | <ul style="list-style-type: none"> <li>Working with other government agencies to eliminate duplicated reporting</li> <li>Implementation of recommendations of the legislation review and performance audit</li> </ul>   |

| No | KPI | Assessment | Areas for improvement  |
|----|-----|------------|--|
|    |     |            | <ul style="list-style-type: none"> <li>Review stakeholder engagement framework.</li> </ul> |

## Overall assessment for the 2020-21 RPF report

ACNC considers that its overall performance in achieving the KPIs in 2020-21 was very good, identical to the previous year. This assessment has been validated by the approved stakeholder consultation mechanism, the Adviser and Sector Forums at **Appendix B**.

We are committed to making further improvements over the course of 2021-22. The [Government response](#) to the Strengthening for Purpose: Australian Charities and Not-for-profits Commission Legislation Review 2018, report will frame improvements for regulation of the sector.

Our areas for improvement identified in 2020-21 are below:

| No | KPI   | Assessment | Areas for improvement  |
|----|---|------------|--|
| 1  | Regulators do not unnecessarily impede the efficient operation of regulated entities    | Very good  | <ul style="list-style-type: none"> <li>Timely publication of the annual Australian Charities Report</li> <li>Ongoing improvements to ACNC's website, forms and the Charity Portal to ensure they deliver a reduction in compliance costs for the charity sector.</li> </ul>                    |
| 2  | Communication with regulated entities is clear, targeted and effective                  | Very good  | <ul style="list-style-type: none"> <li>Identifying of new opportunities to assist charities in meeting their compliance obligations</li> <li>Continuing to improve accessibility of web content including a complete review of content relating to reporting and reducing red tape.</li> </ul> |
| 3  | Actions undertaken by regulators are proportionate to the regulatory risk being managed | Very good  | <ul style="list-style-type: none"> <li>Continuing to provide resources to help charities to understand and address their key governance risks.</li> </ul>  |

| No | KPI   | Assessment | Areas for improvement  |
|----|---|------------|--|
| 4  | Compliance and monitoring approaches are streamlined and co-ordinated                 | Very good  | <ul style="list-style-type: none"> <li>• Ongoing improvements to annual reporting arrangements and Charity Portal</li> <li>• Promote and expand the use of the Charity Passport.</li> </ul>                                |
| 5  | Regulators are open and transparent in their dealings with regulated entities         | Very good  | <ul style="list-style-type: none"> <li>• Improvements to the Charity Register and information which will be available</li> <li>• Targeted education to assist with charities voluntary compliance.</li> </ul>              |
| 6  | Regulators actively contribute to the continuous improvement of regulatory frameworks | Very good  | <ul style="list-style-type: none"> <li>• Working with other government agencies to eliminate duplicated reporting</li> <li>• Implementation of recommendations of the legislation review and performance audit.</li> </ul> |

Our external stakeholder groups, the Adviser and Sector Forums will provide feedback on our self-assessment. This feedback will be set out in **Appendix B**.

## Appendix A: KPI self-assessment and analysis

The measures, evidence and sources are as approved in June 2015 by ACNC, and validated by the ACNC consultative mechanism, the Adviser and Sector Forums.

**Evidence:** evidence of performance against each measure.

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

**Results:** Performance with respect to each item of evidence has been assessed as met, partially met, or not met (refer to the table below). An analysis of the result, including further detail about performance, is also provided.

| Symbol | Performance  |
|--------|--|
| ✓      | Target met or exceeded                                   |
| !      | Some elements of the target were met, and issues managed |
| ✗      | No or minimal progress was made against the target       |

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

| Assessment   |
|--|
| Excellent, with no or minor room for improvement                 |
| Very good, with minor room for improvement                       |
| Good, with some room for improvement                             |
| Fair, with significant room for improvement                      |
| Poor, with numerous significant areas for improvement identified |

For each *source* of evidence, the outputs for the 2020-21 year have been provided; however, these outputs do not in themselves establish performance against the evidence.

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

|                                   |  |   |
|-----------------------------------|--|---|
| <b>Self-assessment: Very good</b> | <p>ACNC has demonstrated a commitment to not unnecessarily impede the efficient operation of entities through:</p> <ul style="list-style-type: none"> <li>• Consultation with sector representatives and key stakeholders through the Adviser and Sector Forums</li> <li>• Utilisation of feedback from charities to drive improvements to the annual reporting arrangements and the Charity Portal</li> <li>• Publication of the seventh annual Australian Charities Report highlighting the contribution of Australian charities to the Australian economy and communities both at home and abroad.</li> </ul> | <p><b>Areas for improvement</b></p> <p>In 2021-22, ACNC will focus on:</p> <ul style="list-style-type: none"> <li>• Timely publication of the annual Australian Charities Report</li> <li>• Driving continuous improvements to ACNC's website, forms and the Charity Portal to ensure they deliver a reduction in compliance costs for the charity sector.</li> </ul> |
|-----------------------------------|--|---|

| Measures   | Evidence  | Source   | Result | Analysis   |
|--|---|--|--------|--|
| <b>A</b> Regulators demonstrate an understanding of the operating environment of the industry or organisation, or the circumstances of individuals and the current and emerging issues that affect the sector. | 1.1 Targeted and consistent consultation with the charity sector                  | <ul style="list-style-type: none"> <li>• 2 meetings of the Sector Forum</li> <li>• 2 meetings of the Adviser Forum</li> <li>• 1 Regulators Day combined Forum</li> <li>• 39 speaking engagements</li> <li>• 165 stakeholder meetings.</li> </ul> | ✓      | <p>ACNC engages with charity sector representatives and key stakeholders through the Adviser and Sector Forums, with each forum meeting twice in 2020-21. There was also a combined Regulators Day.</p> <p>The Adviser Forum comprises professional advisers (mainly accountants, auditors and lawyers) who provide feedback on matters of procedure, new guidance, publications and regulatory positions.</p> <p>The Sector Forum comprises representatives of peak bodies and charities, they also provide feedback on matters of procedure, new guidance, publications as well as our interactions with and regulation of registered charities.</p> <p>The Adviser and Sector Forums are the approved consultation mechanisms for the RPF self-assessment report. This draft report was provided to both groups for input in August 2021.</p> <p>Our Executive and senior leadership team had 39 speaking engagements and attended 165 meetings with charities, sector representatives and peak bodies in 2020-21.</p> <p>The ACNC introduced several measures to assist charities affected by COVID-19. We updated our regulatory approach and deferred the due date for Annual Information Statements. We also established a dedicated webpage with detailed guidance and information. We engaged with the sector and stakeholders to understand what we could do to support charities.</p> |
|  | 1.2 Information reported by charities to ACNC is analysed and published annually  | <ul style="list-style-type: none"> <li>• <a href="#">Seventh edition of the Australian Charities Report</a></li> <li>• <a href="#">ACNC datasets published on data.gov.au.</a></li> </ul>  | ✓      | <p>In May 2021 we released the seventh edition of the Australian Charities Report, the annual analysis of published AIS data. This current report, and reports from prior years are available at <a href="#">acnc.gov.au</a>. We continue ensure a timely release of this report in the first half of the calendar year.</p> <p>We continue to share the data used to create the Australian Charities Report on <a href="#">data.gov.au</a>. Publication of this data enables interested parties to undertake their own analysis of the data. There are now 11 different datasets on data.gov.au, with the ACNC Registered Charities dataset ranked 12th for most downloaded dataset and 7th for most viewed dataset.</p>  |
| <b>B</b> Regulators take actions to minimise the potential for unintended negative impacts of regulatory activities on regulated entities or affected supplier industries and supply chains.                   | 1.3 Administrative practices are reviewed to identify opportunities to streamline | <ul style="list-style-type: none"> <li>• 4 meetings of ACNC Management Committee</li> </ul>  | ✓      | <p>ACNC's Management Committee met 4 times in 2020-21 to review the progress of activities and initiatives to reduce the regulatory burden we place on charities.</p> <p>The following Commissioner's Policy Statements were updated in 2020-21 to reflect current practice and provide greater clarity:</p> <ul style="list-style-type: none"> <li>• <a href="#">Voluntary revocation</a></li> </ul>  |

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

|   |  |   |   |  |   |   |
|---|--|---|---|--|---|---|
|   |  | interactions and reduce compliance costs  | <ul style="list-style-type: none"> <li>Review of policy and guidance documents.</li> </ul>                            | <ul style="list-style-type: none"> <li>Withholding or removing information from the Register</li> <li>Reviews of DGR-endorsed Charities.</li> </ul>  | <p>The following operational procedures were also updated in 2020-21:</p> <ul style="list-style-type: none"> <li><a href="#">Protected ACNC information</a></li> <li><a href="#">Staff use of social media.</a></li> </ul> <p>While our transitional regulatory approach ended on 31 December 2020, we recognise that many charities are still feeling the effects of COVID-19. Meeting the needs of communities affected by disasters is a key priority for charities. Accordingly, the ACNC works with charities to ensure robust governance arrangements are embedded in their operations to help them to quickly adapt and respond during times of disaster. Where possible, we will support charities that operate in areas affected by natural disasters. A full summary of the ACNC's response to charity operations and COVID-19 can be found on our <a href="#">website</a>.</p> |   |
| C |  | Regulators implement continuous improvement strategies to reduce the costs of compliance for those they regulate. | 1.4 Documented processes for collecting and acting on feedback from charities   | <ul style="list-style-type: none"> <li><a href="#">Complaints and compliments about ACNC</a></li> <li><a href="#">Complaints about registered charities</a></li> <li><a href="#">ACNC Stakeholder engagement framework.</a></li> </ul> | ✓   | <p>ACNC's policies addressing complaints and compliments about ACNC, complaints about charities and our stakeholder engagement framework are all published on <a href="#">acnc.gov.au</a>.</p> <p>In 2020-21 we received 426 complaints and 320 compliments.</p> <p>Australian charities make an invaluable 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.</p> <p>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 us via our Advice Services line and aim to make our guidance, activities and data as accessible and transparent as possible.</p>  |
|   |  |   | 1.5 The online Annual Information Statement (AIS) reporting includes an opportunity for charities to provide feedback | <ul style="list-style-type: none"> <li>Online survey available throughout 2020-21.</li> </ul>  | ✓   | <p>All authorised persons submitting annual reports to ACNC are sent an online customer experience survey.</p> <p>As at 30 June 2021 we received 1,449 responses relating to 2020 AIS submissions, we had received 1,279 responses for 2019 AIS submissions at the same time last year.</p> <p>An analysis of these responses found:</p> <ul style="list-style-type: none"> <li>82% of respondents said it took them between 30 minutes and two hours to complete their AIS</li> <li>More than 48% of respondents felt it was easy or very easy to provide the financial information required</li> <li>83% of respondents said they didn't have trouble answering any of the compulsory questions in the AIS</li> <li>83% said they did not phone our advice line/contact centre for help during the process</li> <li>67% said they referred to ACNC guidance during the process, of those that did, 84% found it easy to use</li> <li>84% of respondents found the help text/tool tips in the form itself were helpful and useful and 92% liked the layout and appearance of the 2019 form.</li> </ul> <p>These responses will be used to drive future improvements to annual reporting.</p> |
|   |  |   | 1.6 The registration process includes opportunities for   | <ul style="list-style-type: none"> <li>Online survey available</li> </ul>  | ✓   | <p>All registration applicants are sent an online customer experience survey.</p> <p>As at 30 June 2021 we received 480 responses, 89% of these responses expressed overall satisfaction with the registration experience.</p>  |

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

charities to  
provide feedback

throughout 2020-  
21.

Feedback from the surveys are analysed and discussed within the registration directorate to continually improve the service we provide for example through staff training or process improvements.

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

|                                   |  |                              |  |
|-----------------------------------|--|------------------------------|--|
| <b>Self-assessment: Very good</b> | <p>ACNC maintained effective communication with regulated entities by:</p> <ul style="list-style-type: none"> <li>• Participating in more than 204 meetings with the charity sector</li> <li>• Offering a broad range of information through publications, webinars and podcasts</li> <li>• Providing transparency in all decision-making including supplying reasons for unfavourable regulatory decisions and providing independent review of decisions when objections are raised.</li> </ul> | <b>Areas for improvement</b> | <p>In 2021-22, ACNC will focus on:</p> <ul style="list-style-type: none"> <li>• Identifying new opportunities to assist charities in meeting their compliance obligations</li> <li>• Continuing to improve accessibility of web content including a complete review of content relating to reporting and reducing red tape.</li> </ul> |
|-----------------------------------|--|------------------------------|--|

| Measures | Evidence   | Source  | Result   | Analysis   |
|----------|--|---|--|--|
| <b>A</b> | <p>Regulators provide guidance and information that is up to date, clear, accessible and concise through media appropriate to the target audience.</p> | <p>2.1 Regulatory obligation of charities is explained through plain language, guidance and education</p> | <p>Guidance was provided to charities through:</p> <ul style="list-style-type: none"> <li>• Publications</li> <li>• Webinars</li> <li>• Podcasts.</li> </ul> | <p style="text-align: center;">✓</p> <p>We continue to expand and update the information we provide to charities and we offer a range of educational materials in different formats, including guides, templates, webinars and podcasts to assist them.</p> <p>New resources in 2020-21 included:</p> <ul style="list-style-type: none"> <li>• Updated information relating to Basic Religious Charities</li> <li>• New Governance Standard 6 guidance</li> <li>• A new webpage to reflect transitional reporting relief given to charities that are eligible for streamlined reporting arrangements</li> <li>• Annual Financial Report Disclosures – Best Practice guidance.</li> </ul> <p>In 2020-21, we broadcast 10 webinars, including:</p> <ul style="list-style-type: none"> <li>• <i>Managing charity money in the wake of COVID-19</i>: practical advice and good practice tips on managing money</li> <li>• <i>ACNC External Conducts Standards – one year on</i>: looked at some of the burning issues charities have experienced in complying with the standards</li> <li>• <i>10 things your charity should do right now</i>: practical tips to help charities continue to operate in a changed environment such as running meetings, engaging volunteers, fundraising, promotion and collaboration</li> <li>• <i>Community sheds, charity registration and DGR</i>: examined the changes to Deductible Gift Recipient provisions and what they mean for Community Sheds</li> <li>• <i>Protecting your charity against fraud</i>: provided practical guidance on protecting charities from fraud</li> <li>• <i>Showcasing your work in the 2020 information statement</i>: Explored new questions added to the Annual Information Statement ensuring charities will provide information about their programs</li> <li>• <i>Tips for starting the year on the right foot</i>: Looked at some of the things charities could do to get things moving in the right direction at the start of the year</li> <li>• <i>Conflicts of interest and related party transactions</i>: examined the issues of conflict of interest and related party transactions in detail</li> <li>• <i>Charity tax concessions and endorsements</i>: joint webinar with the Australian Taxation Office covering charity tax concessions and how the ACNC and ATO work together</li> <li>• <i>Financial reporting for charities</i>: concentrated on financial reporting requirements for registered charities.</li> </ul> <p>In 2020-21, we published 4 podcast episodes, including:</p> <ul style="list-style-type: none"> <li>• <i>Charities finding donors, donor finding charities</i>: the ACNC Commissioner was interviewed about the ways charities will be able to showcase their work on the charity register and how donors will be able to find work they want to support</li> <li>• <i>Charities dealing with financial difficulties – Part 1</i>: ACNC, Philanthropy Australia and KordaMentha discuss charities dealing with financial difficulties, particularly in the wake of the covid-19 pandemic</li> </ul> |

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

|          |     |   |   |  |
|----------|-----|---|---|--|
|          |     |   |   | <ul style="list-style-type: none"> <li>• <i>Charities dealing with financial difficulties – Part 2</i>: ACNC, Philanthropy Australia and KordaMentha discuss how charities can deal with financial difficulties, particularly in the wake of the covid-19 pandemic</li> <li>• <i>A tale of growth: Australian Charities Report and the state of the charity sector</i>: ACNC Commissioner speaks about the latest edition of the Charities Report and what it says about the state of the charity sector.</li> </ul> |
|          | 2.2 | Compliance with the Australian Government accessibility guidelines  | <ul style="list-style-type: none"> <li>• Accessibility of content on acnc.gov.au.</li> </ul>  | <p>✓</p> <p>Our website and charity register are compliant with Web Content Accessibility Guidelines Version 2.0.</p> <p>We provide content in HTML format whenever possible, but for technical reasons and to meet some legal requirements, there may be content that is only available in PDF or as other file types. We are currently in the process of reviewing information relating to our work on reducing red tape to ensure compliance with these guidelines.</p>   |
|          | 2.3 | Drafts of Commissioner's Interpretation Statements are provided for public comment  | <ul style="list-style-type: none"> <li>• Commissioner's Interpretation Statements.</li> </ul>   | <p>✓</p> <p>Our Commissioner's Interpretation Statements are developed to help guide charities and the public on how we understand the law that applies to charities, including to explain the law made by judges ('common law'), parliament (legislation) and any other legal issues.</p> <p>In 2020-21 ACNC commenced the review of two Commissioner's Interpretation Statements.</p>  |
| <b>B</b> | 2.4 | Regulators consider the impact on regulated entities and engage with industry groups and representatives of the affected stakeholders before changing policies, practices or service standards. | See 1.1, 1.2, 1.4, 6.1, 6.2 and 6.3   | <p>✓</p> <p>See 1.1, 1.2, 1.4, 6.1, 6.2 and 6.3.</p> <p>A further example of this work is the consultation the ACNC undertook with stakeholders on the ACNC's draft guidance on best practice financial disclosures relating to government revenue sources prior to publication to ensure it was appropriate. Following publication of the guidance, presentations and communication were cascaded to impacted charities via professional associations, peak stakeholders and ACNC communication channels.</p>       |
| <b>C</b> | 2.5 | Regulators' decisions and advice are provided in a timely manner, clearly articulating expectations and the underlying reasons for decisions.   | <p>2.5 Percentage of applications for charity registration are determined within 15 business days of receiving all information</p> <ul style="list-style-type: none"> <li>• 90% of registrations were determined within 15 business days of receiving all information.</li> </ul> | <p>!</p> <p>79% of all registration applications were determined within 15 business days, partially meeting the service standard of 90%. ACNC processed 2,793 applications for registration in 2020-21.</p>  |
|          | 2.6 | Refused applications for registration or remission of penalties are accompanied by a statement of reason for decision   | <ul style="list-style-type: none"> <li>• All refused applications were provided a statement of reason for decision</li> <li>• No penalties were issued to charities in 2020-21.</li> </ul>  | <p>✓</p> <p>151 registration applications were refused, in all cases reasons for the decision were communicated to the applicant.</p> <p>The most common reasons for refusal, accounting for more than 80% of all refusals, was where charities had failed to provide enough information to the ACNC to enable registration.</p> <p>ACNC did not issue any penalties to charities in 2020-21.</p>  |
|          | 2.7 | All objections are determined by an independent case officer and if disallowed are accompanied by reasons for decision  | <ul style="list-style-type: none"> <li>• All internal reviews were determined by an independent case officer and, if disallowed, reasons for decisions were</li> </ul>  | <p>✓</p> <p>Under the ACNC Act, a charity or its responsible persons may object to certain ACNC decisions and request an internal review. In 2020-21 the ACNC received 7 objections relating to our refusal to register an organisation as a charity. We also received 4 objections to decisions made to revoke a registration.</p> <p>In all cases, objections were determined by an independent case officer, and if disallowed, the reasons for the decision were provided to the applicant.</p>                  |

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

|          |   |     |   |  |   |
|----------|---|-----|---|--|---|
|          |   |     | provided to the applicant.  |  |   |
| <b>D</b> | Regulators' advice is consistent and supports predictable outcomes. | 2.8 | Staff make decisions according to published policies and procedures | <ul style="list-style-type: none"> <li>• <a href="#">Corporate policies and procedures.</a></li> </ul> | <p>✓</p> <p>ACNC staff make decisions according to published policies and operational procedures, consistent with the ACNC's overarching <a href="#">Regulatory Approach Statement</a> and <a href="#">Policy Framework</a>.</p> <p>The Commissioner's policy statements are all available publicly on our website at <a href="http://acnc.gov.au/about/corporate-information/corporate-policies">acnc.gov.au/about/corporate-information/corporate-policies</a>.</p> <p>Included in this suite of policy statements is the <a href="#">Commissioner's Policy Statement: Decision-making</a>, which sets out how the ACNC will make decisions in order to ensure high quality decision-making, promote consistency in decisions and to inform the public about how the ACNC makes decisions. The ACNC undertakes quality assurance processes in relation to our decisions. To ensure consistency, ACNC administrative decision makers consult with ACNC's Legal team and General Counsel as required.</p> |

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

|  |   |                                     |  |
|--|---|-------------------------------------|--|
| <p><b>Self-assessment: Very good</b></p> | <p>Actions undertaken by ACNC are proportionate to the regulatory risk being managed as demonstrated by:</p> <ul style="list-style-type: none"> <li>• Publication of our risk-based regulatory framework and associated policies</li> <li>• Ensuring our compliance activities are proportionate to the non-compliance identified.</li> </ul> | <p><b>Areas for improvement</b></p> | <p>In 2021-22, ACNC will focus on:</p> <ul style="list-style-type: none"> <li>• Continuing to provide resources to help charities to understand and address their key governance risks.</li> </ul> |
|--|---|-------------------------------------|--|

| Measures  | Evidence   | Source   | Result   | Analysis   |
|---|--|--|----------|--|
| <p><b>A</b> Regulators apply a risk based proportionate approach to compliance obligations, engagement and regulatory enforcement actions.</p>  | <p>3.1 Regulatory approach is risk based and proportionate</p>       | <ul style="list-style-type: none"> <li>• <a href="#">ACNC Regulatory approach statement.</a></li> </ul>                      | <p>✓</p> | <p>ACNC applies a risk-based approach to its compliance activities as outlined in the <a href="#">ACNC Regulatory approach statement</a>. This approach provides charities with opportunities to address minor issues on non-compliance, while dealing with cases of serious misconduct quickly and firmly.</p> <p>When we identify charities at risk of breaching the ACNC Act or Regulation, we will address these matters through the provision of targeted regulatory advice. This advice reminds charities of their obligations and may also suggest process or policy change to prevent future non-compliance. In 2020-21 the ACNC provided 33 charities with regulatory advice following investigation.</p> <p>Where a charity has significant matters of non-compliance and the ACNC determines that the responsible persons are willing and able to address these matters, we may enter into a compliance agreement or enforceable undertaking. These action plans are monitored by the ACNC to ensure charities implement the agreed actions. In 2020-21 the ACNC entered into 1 compliance agreements.</p> <p>With the implementation of reviews and self-audits alongside investigations, Compliance’s resources now deliver three programs of work, targeted by risk.</p> |
|   | <p>3.2 Risk based compliance and enforcement policy is published</p> | <ul style="list-style-type: none"> <li>• <a href="#">Compliance policy statement: Compliance and enforcement.</a></li> </ul> | <p>✓</p> | <p>This <a href="#">Commissioner's policy statement</a> supplements ACNC’s regulatory approach statement, and sets out our general approach to regulating charities.</p> <p>The policy statement sets out:</p> <ul style="list-style-type: none"> <li>• The principles we adopt when addressing compliance concerns about registered charities</li> <li>• Our general approach to carrying out our compliance and enforcement activities</li> <li>• ACNC’s information gathering, monitoring, enforcement and revocation powers and how we will use them</li> <li>• ACNC's policy on the removal or withholding of information from the ACNC Register in relation to the use of enforcement powers.</li> </ul>   |
| <p><b>B</b> Regulators’ preferred approach to regulatory risk is regularly reassessed. Strategies, activities and enforcement actions are amended to reflect changing priorities that results from new and evolving regulatory threats, without</p> | <p>3.3 Regulatory approach is reviewed every three years</p>         | <ul style="list-style-type: none"> <li>• <a href="#">ACNC Regulatory approach statement.</a></li> </ul>                      | <p>✓</p> | <p>ACNC <a href="#">Regulatory approach statement</a> was reviewed in 2020. The review identified minor changes only, with the Statement remaining current, relevant and fit-for-purpose.</p>  |

|   |   |     |  |  |  |
|---|---|-----|--|--|--|
| diminishing regulatory certainty or impact. |   |     |  |  |  |
| C   | Regulators recognise the compliance record of regulated entities, including using earned autonomy where this is appropriate. All available and relevant data on compliance, including evidence of relevant external verification is considered. | 3.4 | Compliance and enforcement policy consider the prior record of a charity and information from previous investigations in its risk assessment, where possible | <ul style="list-style-type: none"> <li>• <a href="#">Compliance policy statement: Compliance and enforcement.</a></li> </ul> | <p>✓</p> <p>As articulated in ACNC’s <a href="#">Regulatory Approach Statement</a> and the <a href="#">Commissioner’s Policy Statement: Compliance and enforcement</a>, ACNC considers the prior record of a charity and information from previous investigations in its risk assessments.</p> <p>When resolving non-compliance in a charity, the team takes proportionate action to ensure it addresses the issues based on the risks and non-compliance we seek to address. We consider several factors in determining appropriate action, including the severity and persistence of a charity’s non-compliance, the risk of harm to the sector and community, and the willingness and ability of the charity to work with the ACNC to address the non-compliance.</p> |

#### KPI 4: Compliance and monitoring approaches are streamlined and coordinated

|                                   |  |                              |  |
|-----------------------------------|--|------------------------------|--|
| <b>Self-assessment: Very good</b> | <p>ACNC collaborated with other government agencies to streamline compliance and monitoring activities to:</p> <ul style="list-style-type: none"> <li>Proactively engage with charities where intelligence analysis indicated an increased risk of non-compliance</li> <li>Share information and streamline reporting arrangements.</li> </ul> | <b>Areas for improvement</b> | <p>In 2021-22, ACNC will focus on:</p> <ul style="list-style-type: none"> <li>Ongoing improvements to annual reporting arrangements and Charity Portal</li> <li>Promote and expand the use of the Charity Passport.</li> </ul> |
|-----------------------------------|--|------------------------------|--|

| Measures  | Evidence | Source  | Result  | Analysis   |
|---|----------|---|---|--|
| <p><b>A</b> Regulators' information requests are tailored and only made when necessary to secure regulatory objectives, and only then in a way that minimised impact.</p> <p>Regulators' frequency of information collection is minimised and coordinated with similar processes including those of other regulators so that, as far as possible, information is only requested once.</p> | 4.1      | <p>Compliance teams use internally and publicly available data to identify candidates for investigation</p> | <ul style="list-style-type: none"> <li>Use of ACNC data</li> <li>Cooperation with other regulators or law-enforcement agencies.</li> </ul>  | <p>✓</p> <p>ACNC continues to work with other government agencies and uses the information it collects directly from charities through annual reporting, to proactively identify charities at risk of non-compliance and to prevent harm.</p> <p>We are also building our intelligence analysis capability to support a data and intelligence led approach to the identification of charities at risk of non-compliance.</p>   |
|   | 4.2      | <p>ACNC approved forms only request information necessary for the function of the form</p>                  | <ul style="list-style-type: none"> <li><a href="#">Operational procedure: Creating, updating and reviewing policies and procedures</a></li> <li><a href="#">ACNC Policy framework.</a></li> </ul> | <p>✓</p> <p>Under the <a href="#">ACNC Policy framework</a> and <a href="#">Operational procedure: Creating, updating and reviewing policies and procedures</a>, when drafting or modifying any forms, the purpose of the form should be considered, and only information needed to fulfil this purpose should be requested.</p> <p>This procedure was reviewed in 2020-21 to ensure it is still fit-for-purpose.</p>  |
|   | 4.3      | <p>The AIS is available through the online ACNC Charity Portal</p>  | <ul style="list-style-type: none"> <li>The 2020 AIS was made available in September 2020.</li> </ul>  | <p>✓</p> <p>The online version of the 2020 AIS was made available to charities in September 2020.</p> <p>ACNC continued to improve guidance for AIS completion based on feedback received in 2019 and 2020 AIS survey responses. From the 2020 AIS, charities will provide details about their programs, including each program's beneficiaries and the location in which it is delivered.</p> <p>Charities must provide at least one program and are able to provide up to ten programs in the Annual Information Statement, with charities categorising their programs using a standard classification system.</p> <p>This data has been published to the Charity Register, providing accountability and transparency for the public.</p> <p>In the 2021-22 financial year, the ACNC will launch an enhanced Charity Register, allowing the public to find charities that deliver the types of programs they are interested in supporting.</p> <p>The enhanced Charity Register will act as a 'charity marketplace' that assists informed decision-making and helps supporters match their cause to the most appropriate charity.</p> <p>In some situations, such as when one charity controls one or more charities, the ACNC will 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, the ACNC launched an online version of the Group Annual Information Statement form, which is available via the Charity Portal.</p> <p>This online version replaced the previous spreadsheet-based method of reporting. This method of reporting could be a time-consuming process. The online version of the Group Annual Information Statement has reduced the reporting burden for 295 reporting groups (which comprise nearly 1,400 charities) while also improving the quality of data reported by reporting groups.</p> |

#### KPI 4: Compliance and monitoring approaches are streamlined and coordinated

|   |   |  |  |  |  |
|---|---|--|--|--|--|
|   | 4.4 Streamlined reporting processes are implemented to obtain information from other regulators where appropriate   | <ul style="list-style-type: none"> <li>Streamlined reporting in place for a range of charities.</li> </ul>                                   | ✓  | <p>ACNC's work on reducing red tape includes:</p> <ul style="list-style-type: none"> <li>The removal of duplicative reporting requirements for charities that are fundraisers or incorporated associations in Western Australia</li> <li>The removal of duplicative reporting requirements for charities that fundraise in Victoria</li> <li>A streamlined application process for charities that fundraise in Victoria</li> <li>A joint response to the DGR Reform initiatives with the Department of the Treasury and the ATO. This reform will remove four DGR Registers and transfer oversight to the ACNC</li> <li>Providing guidance and advice to charities to help them meet their regulatory obligations.</li> </ul> <p>ACNC continues to work regularly with other government agencies in 2020-21 to streamline reporting required across jurisdictions. In 2020-21, the ACNC implemented significant reforms that have reduced the regulatory burden for charities in Western Australia and Victoria.</p> <p>A streamlined reporting arrangement was announced for more than 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, with the ACNC sharing data with DMIRS.</p> <p>Regulatory burden has also been reduced for charities that fundraise in Victoria. Charities that are seeking a fundraising license (or fundraising registration) do not need to submit an application with Consumer Affairs Victoria (CAV). Instead, charities 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.</p> |  |
| B | Regulators utilise existing information to limit the reliance on requests from regulated entities and share the information among other regulators where possible.  | 4.5 Charity Passport developed and maintained so that central charity data is available to government regulators to reduce regulatory burden | <ul style="list-style-type: none"> <li>ACNC Charity Passport was available to authorised government officials throughout 2020-21.</li> </ul> | ✓  | <p>ACNC Charity Passport allows authorised government agencies to electronically access information on registered charities, including financial reporting, activities undertaken and contact details for authorised persons.</p> <p>The Charity Passport was available throughout 2020-21.</p> <p>As at 30 June 2021, 22 government agencies were using the Charity Passport.</p>   |
|   |   | 4.6 Compliance officers share information with and make referrals to other regulators where appropriate                                      | <ul style="list-style-type: none"> <li>Referrals to other government agencies.</li> </ul>  | ✓  | <p>Where compliance issues are identified, we work closely with other government agencies to share information (where permissible under the secrecy provisions of the ACNC Act) and determine who is best placed to act. This reduces the burden on charities, as they will not be required to provide the same information to multiple regulators.</p> <p>In 2020-21 we received 39 referrals from other government agencies and made 71 referrals to other government agencies where we considered that a matter fell within another agency's jurisdiction and that agency was best placed to deal with it.</p>  |
| C | Regulators base monitoring and inspection approaches on risk, and where possible, take into account the circumstance and operational needs of the regulated entity. | 4.7 Compliance staff act in accordance with risk-based policies and procedures   | <ul style="list-style-type: none"> <li><a href="#">Compliance policy statement: Compliance and enforcement.</a></li> </ul>                   | ✓  | <p>ACNC staff act in accordance with risk-based policies and procedures, consistent with the overarching ACNC <a href="#">Regulatory Approach Statement</a> and our <a href="#">Commissioner's Policy Statement: Compliance and enforcement</a>. Compliance monitoring activities are only conducted in relation to matters that are assessed as presenting a significant risk to trust and confidence in the sector.</p> <p>We have enhanced our approach to risk in both Registration and Compliance and initiated a project to address data integrity and quality assurance issues that may affect the accuracy of the Charity Register. The work confirms our commitment to continuous improvement in how we regulate charities.</p> |

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

| <b>Self-assessment: Very good</b>  |  | ACNC remained open and transparent in dealing with regulated entities through:   |        | <b>Areas for improvement</b>   | In 2021-22, ACNC will focus on:   |
|--|--|--|--------|--|---|
|  |  | <ul style="list-style-type: none"> <li>• Availability of policies and guidance</li> <li>• Publication of RPF self-assessment</li> <li>• COVID-19 communications and compliance approach</li> <li>• Advice to charities on DGR reviews</li> <li>• Development of guidance for External Conduct Standards</li> <li>• Development of governance toolkit and DGR self-evaluation checklist.</li> </ul> |        |  | <ul style="list-style-type: none"> <li>• Improvements to the Charity Register and information</li> <li>• Targeted education to assist with charity voluntary compliance.</li> </ul> |
| Measures   | Evidence   | Source   | Result | Analysis   |   |
| <b>A</b> Regulators' risk-based frameworks are publicly available in a format which is clear, understandable and accessible.   | 5.1 Regulatory Approach Statement is published online  | <ul style="list-style-type: none"> <li>• <a href="#">ACNC Regulatory approach statement.</a></li> </ul>  | ✓      | ACNC's overarching risk-based framework is articulated within the <a href="#">ACNC Regulatory approach statement</a> and the <a href="#">Compliance policy statement: Compliance and enforcement</a> .<br><br>ACNC updated the Regulatory approach statement in 2018 after a process of consultation with the Adviser and Sector Forums and was available throughout 2019-20 on <a href="#">acnc.gov.au</a> .                                    |   |
|  | 5.2 Risk assessment framework is published online  | <ul style="list-style-type: none"> <li>• <a href="#">Compliance policy statement: Compliance and enforcement.</a></li> </ul>   | ✓      | ACNC's overarching risk-based framework is articulated within the <a href="#">ACNC Regulatory approach statement</a> and the <a href="#">Compliance policy statement: Compliance and enforcement</a> .<br><br>The Compliance and enforcement policy was available throughout 2020-21 on <a href="#">acnc.gov.au</a> .  |   |
| <b>B</b> Regulators are open and responsive to requests from regulated entities regarding the operation of the regulatory framework, and approaches implemented by regulators. | 5.3 Response to all request for access to information provided within 30 days (those not under Freedom of Information (FOI) or Privacy Acts) | <ul style="list-style-type: none"> <li>• Responses to information requests provided within 30 days.</li> </ul>   | ✓      | ACNC makes information available to the public outside of the formal FOI process through general information requests, however in 2020-21 ACNC did not receive any such requests.  |   |
|  | 5.4 Response to FOI Act requests handled within 30 days (plus statutory extensions) or 60 days where third party consultation is required    | <ul style="list-style-type: none"> <li>• Responses to FOI Act requests provided within established timeframes.</li> </ul>  | ✓      | In 2020-21 ACNC responded to 100% of FOI Act requests and requests for information within the established timeframes.<br><br>Under Part II of the FOI Act, ACNC is required to publish information as part of the Information Publication Scheme (IPS). Each agency must display on its website a plan showing what information it publishes in accordance with the IPS requirements. ACNC maintains an <a href="#">IPS page</a> on its website. |   |
| <b>C</b> Regulator's performance measurement results are published in a timely manner to ensure accountability to the public.  | 5.5 RPF self-assessment published  | <ul style="list-style-type: none"> <li>• <a href="#">RPF self-assessments.</a></li> </ul>  | ✓      | Consistent with other Commonwealth regulators, ACNC publishes our RPF self-assessment on our website. The 2019-20 RPF self-assessment was published on <a href="#">acnc.gov.au</a> in January 2021.<br><br>This 2020-21 report will be published on <a href="#">acnc.gov.au</a> once approved by the responsible minister and in accordance with the established timeframes.   |   |

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

|                                   |   |                              |  |
|-----------------------------------|---|------------------------------|--|
| <b>Self-assessment: Very good</b> | <p>ACNC is committed to continuous improvement through:</p> <ul style="list-style-type: none"> <li>• Analysis of ACNC performance as published in the ACNC Annual Report</li> <li>• Analysis of charity performance as published in the seventh edition of the Australian Charities Report</li> <li>• Submissions on potential impact of proposed changes to the regulatory framework on the sector.</li> </ul> | <b>Areas for improvement</b> | <p>In 2021-22, ACNC will focus on</p> <ul style="list-style-type: none"> <li>• Working with other government agencies to eliminate duplicated reporting</li> <li>• Implementation of recommendations of the legislative review and performance audit.</li> </ul> |
|-----------------------------------|---|------------------------------|--|

| Measures  | Evidence   | Source  | Result | Analysis  |
|---|--|---|--------|---|
| <b>A</b> Regulators establish cooperative and collaborative relationships with stakeholders to promote trust and improve the efficiency and effectiveness of the regulatory framework.  | 6.1 At least two meetings of the Adviser Forum are held annually   | <ul style="list-style-type: none"> <li>• Two meetings of the Adviser forum and a combined Forum.</li> </ul> | ✓      | <p>In 2020-21 we held two meetings of the Adviser Forum. After a review of the Adviser Forum Charter in 2019-20, it was agreed that, going forward, these meetings will now be held twice a year and there is also a combined forum.</p> <p><i>See KPI 1: Evidence measure 1.1.</i></p>   |
|   | 6.2 At least two meetings of the Sector Forum are held annually  | <ul style="list-style-type: none"> <li>• Two meetings of the Sector Forum and a combined Forum.</li> </ul>  | ✓      | <p>In 2020-21 we held two meetings of the Sector Forum. After a review of the Sector Forum Charter in 2019-20, it was agreed that, going forward, these meetings will now be held twice a year and there is also a combined forum.</p> <p><i>See KPI 1: Evidence measure 1.1.</i></p>   |
|   | 6.3 Stakeholder engagement framework outlines how ACNC will engage with stakeholders to reduce regulatory burden and enhance knowledge of the regulated sector | <ul style="list-style-type: none"> <li>• <a href="#">ACNC Stakeholder engagement framework</a>.</li> </ul>  | ✓      | <p>ACNC's Stakeholder engagement framework outlines our approach to consultation and the mechanisms we may use. For example, this framework outlines our commitment to reduce the regulatory burden on charities by providing accurate, timely and relevant information to charities to help them understand and meet their obligations to ACNC in a way that minimises the impact on their time and resources.</p> <p>ACNC completed a formal review of this framework in 2020-21.</p>   |
| <b>B</b> Regulators engage stakeholders in the development of options to reduce compliance costs. This could include industry self-regulation, changes to the overarching regulatory framework, or other strategies to streamline monitoring and compliance approaches. | 6.4 See 6.1, 6.2 and 6.3   |   | ✓      | <p>In 2019-20 the Government responded to the Australian Charities and Not-for-profits Commission Legislation Review 2018. While the Government has shown support for most recommendations, some require more consultation before implementation, and some will not be able to be implemented until legislative amendments are finalised. The ACNC will work collaboratively to implement the Government recommendations to achieve meaningful reform.</p> <p>The Australian National Audit Office tabled the performance audit report <i>Regulation of Charities by the Australian Charities and Not-for-profits Commission</i> on 31 March 2020. This report was a welcome endorsement of the ACNC's achievements since it was established in December 2012. The report also provided valuable insights to assist us to continue to improve our regulatory approach.</p> <p>ACNC engages with stakeholders in the development of options to reduce compliance costs. In 2020-21 we made submissions on issues which affect the efficient regulation of the charity sector including:</p> <ul style="list-style-type: none"> <li>• Productivity Commission Study into Resources Study Regulation</li> <li>• Feedback on the proposed Charitable Fundraising Regulation 2020 (NSW)</li> <li>• Response to Draft Propositions of the Royal Commission into Natural Disasters</li> <li>• CATSI Act Review</li> <li>• National Coordination Mechanism Consultation</li> <li>• ANAO Operation of Grants Hubs Performance Audit</li> </ul> |

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

- Submission to Commonwealth Integrity Commission
- Query from the Joint Select Committee on Implementation of the National Redress Scheme
- Standing Committee on Taxation and Revenue – Private Briefing on Tax Concessions on Philanthropic Donations
- Aboriginal Lands Parliamentary Standing Committee Inquiry into Aboriginal Governance
- Electronic meeting and voting for NSW incorporated associations
- Proposed new fundraising condition for NSW authority holders
- Proposed NSW charitable fundraising guidelines
- Proposed amendments to the Associations Incorporation Act 1985 (SA)
- Proposed new Regulator Performance Framework (Prime Minister and Cabinet)
- Western Australian Government (establishment of Charitable Trusts Commission).

|   |   |  |  |   |  |
|---|---|--|--|---|--|
| C | Regulators regularly share feedback from stakeholders and performance information (including from inspections) with policy departments to improve the operation of the regulatory framework and administrative processes. | 6.5 Stakeholder engagement framework outlines how ACNC will share feedback from stakeholders with policy departments | <ul style="list-style-type: none"> <li>• <a href="#">ACNC Stakeholder engagement framework.</a></li> </ul> | ✓ | In 2020-21 ACNC engaged with stakeholders through the Adviser and Sector Forums, this engagement informed various submissions regarding the efficient regulation of the charity sector.<br><i>See KPI 1: Evidence measure 1.1 and 6.4.</i>   |
|   |   | 6.6 Report is published analysing the previous year's cases and forecasting risk for future years annually           | <ul style="list-style-type: none"> <li>• <a href="#">ACNC Annual Report.</a></li> </ul>                    | ✓ | ACNC publishes a summary of its regulatory activity and enforcement actions in its annual report.<br>The 2019-20 annual report summarised these activities and actions including: <ul style="list-style-type: none"> <li>• 79 investigations were finalised</li> <li>• 58 risk assessments were completed</li> <li>• 32 charities received regulatory advice.</li> </ul> The 2020-21 annual report summarised these activities and actions including: <ul style="list-style-type: none"> <li>• 76 investigations were finalised (includes risk assessments)</li> <li>• 33 charities received regulatory advice</li> <li>• 23 Reviews completed</li> <li>• 39 self-audits completed.</li> </ul> The annual report will be published on <a href="http://acnc.gov.au">acnc.gov.au</a> in accordance with timeframes set by the Department of Finance. |

## Appendix B: Summary of feedback from consultation

### Consultation mechanism

Under the Regulator Performance Framework (RPF), the ACNC is required to have our self-assessment 'validated' by the approved RPF stakeholder consultation mechanism. The ACNC's stakeholder consultation mechanism is the Adviser and Sector Forums.

The Australian Government has just refreshed how it sets out its expectations for regulator performance and reporting. The Regulator Performance Guide replaces the RPF. This will be the final RPF the ACNC will prepare separately and therefore the last time the Adviser and Sector Forums will validate a RPF report. The ACNC will integrate regulator performance into the corporate plan and annual report in future years.

The self-assessment was emailed to the Adviser and Sector Forums on 19 August 2021. Access to an online survey was provided and each group had more than a two-week window in which to respond to the survey.

The survey asked members to:

- indicate their agreement with the ACNC's self-assessment against the key performance indicators (KPIs) and overall assessment
- provide feedback on each KPI and the ACNC's overall self-assessment
- where a member disagreed with our self-assessment, they were asked to confirm whether the rating should be higher or lower.

The online survey was available until 8 September 2021 and 18 responses were received consisting of 12 responses from the Adviser Forum and 6 from the Sector Forum. This was a decrease from the 21 responses received in 2019-20.

This represents 31% (39 members) of Adviser Forum membership and 27% (22 members) of Sector Forum membership, a low number considering this is a responsibility outlined in each forum's Charter; for members to provide annual feedback on the ACNC's self-assessment under the Government's Regulator Performance Framework, noting that the Sector Forum and Adviser Forum form the ACNC's approved stakeholder consultation mechanism.

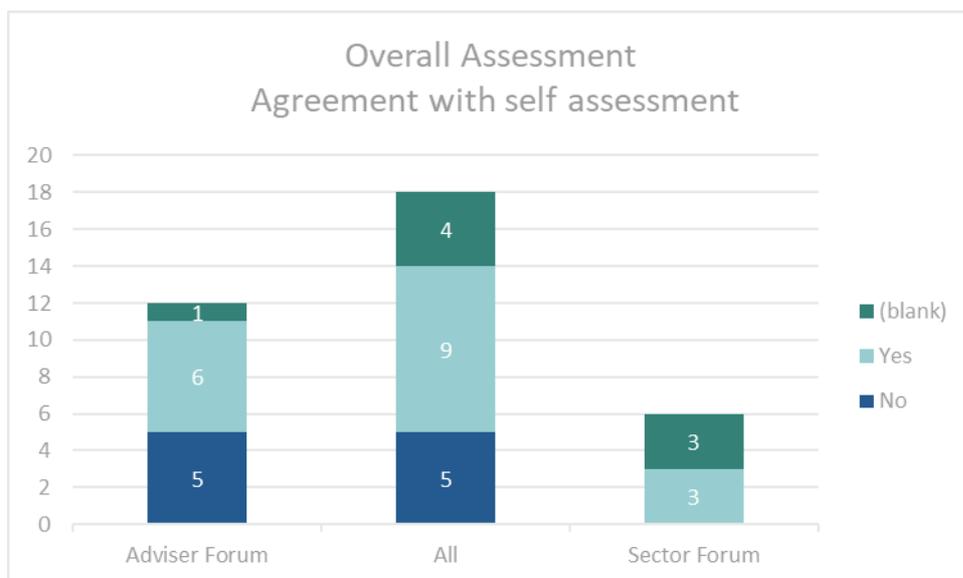
### Executive summary

The 18 members who responded to the survey agreed with the ACNC's self-assessment, with between 44% and 61% of respondents agreeing with the self-assessment for each KPI.

Of the 18 members who responded, 9 out of 18, or 50%, agreed with the ACNC's overall self-assessment of 'very good.'

4 out of 18, or 22% of members who responded to the survey, didn't answer the overall self-assessment question.

On average 20% of members who responded to the survey didn't answer the KPI questions.

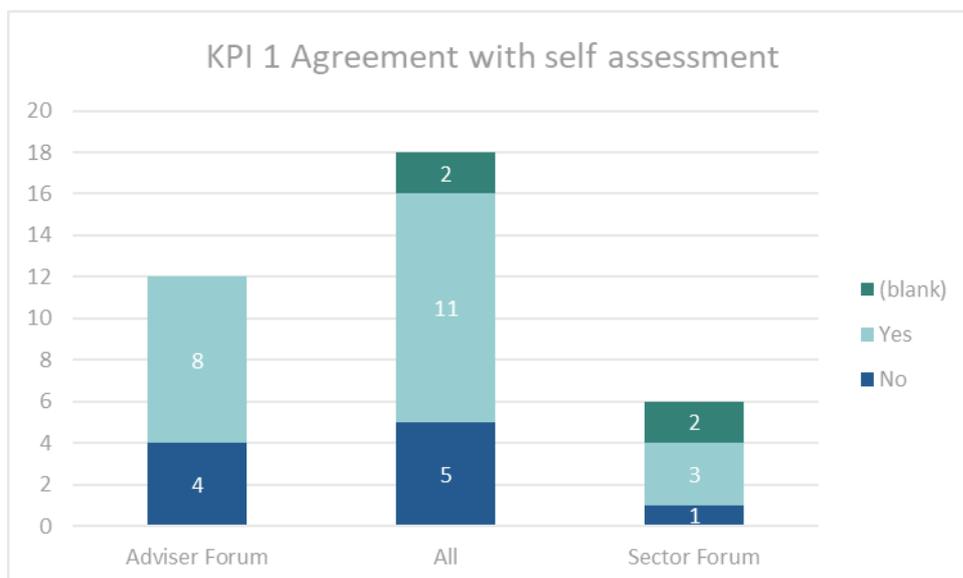


9 out of 18 members, or 50%, agreed with our overall self-assessment of Very good.

Of the five members who disagreed with the ACNC’s self-assessment, five thought the rating should be lower.

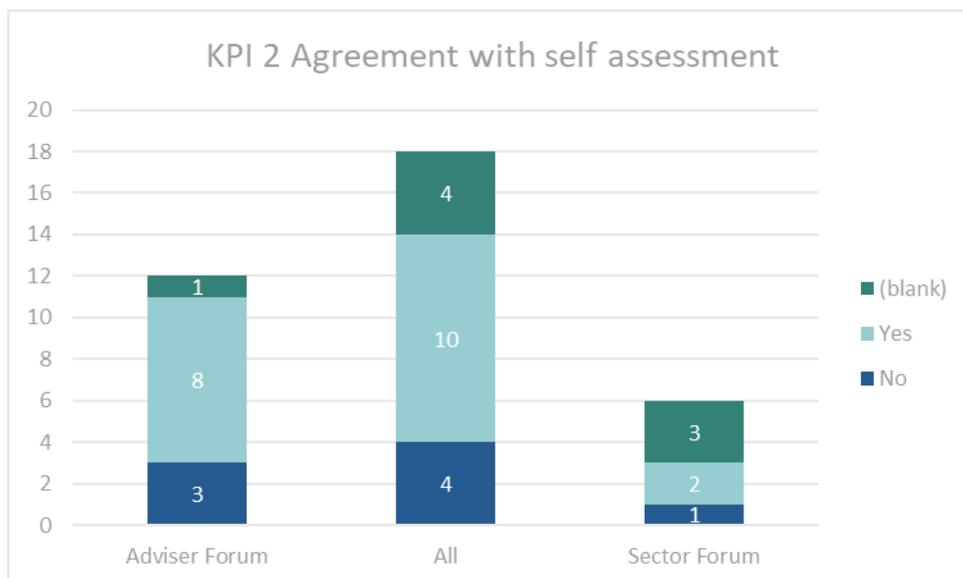
The survey results and feedback raised for each KPI are discussed below.

**KPI1: Regulators do not unnecessarily impede the efficient operation of regulated entities**



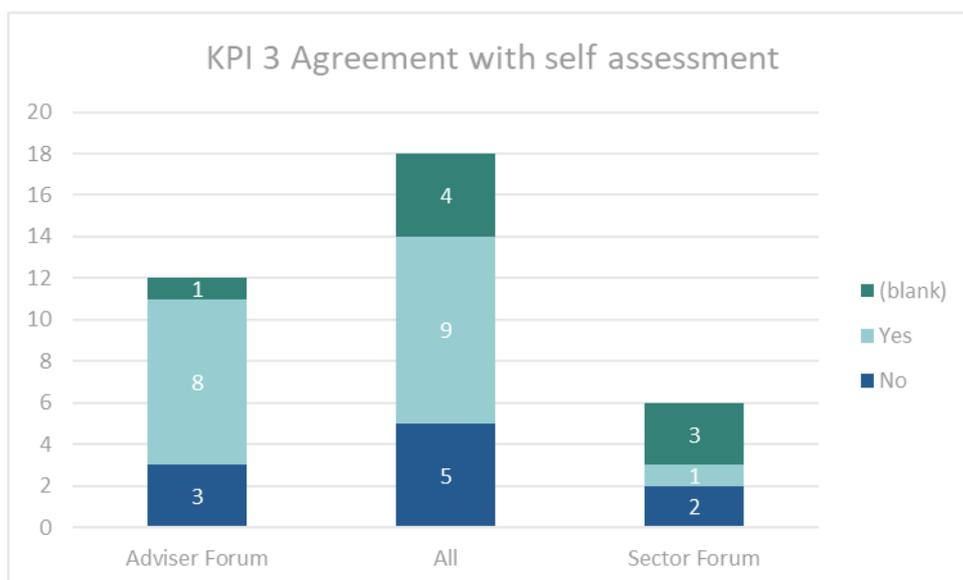
- 11 out of 18 members, or 61%, agreed with our self-assessment of Very good
- Of the five members who disagreed with the ACNC’s self-assessment, four thought the rating should be lower
- Feedback included the following:
  - Delays in processing registration applications and analyst staff being somewhat unresponsive to answers to queries and taking too long to finalise decisions have been very frustrating
  - The review of the CIS on PBI's is taking a long time and leads to some uncertainty.

**KPI2: Communication with regulated entities is clear, targeted and effective**



- 10 out of 18 members, or 55%, agreed with our self-assessment of Very good
- Of the four members who disagreed with the ACNC’s self-assessment, three thought the rating should be lower and one thought the rating should be higher
- Feedback included the following:
  - Delays in progressing the finalisation of new or updated commissioner interpretation statements have created unnecessary uncertainty
  - I think this has been absolutely excellent work
  - The web site works well and webinars.

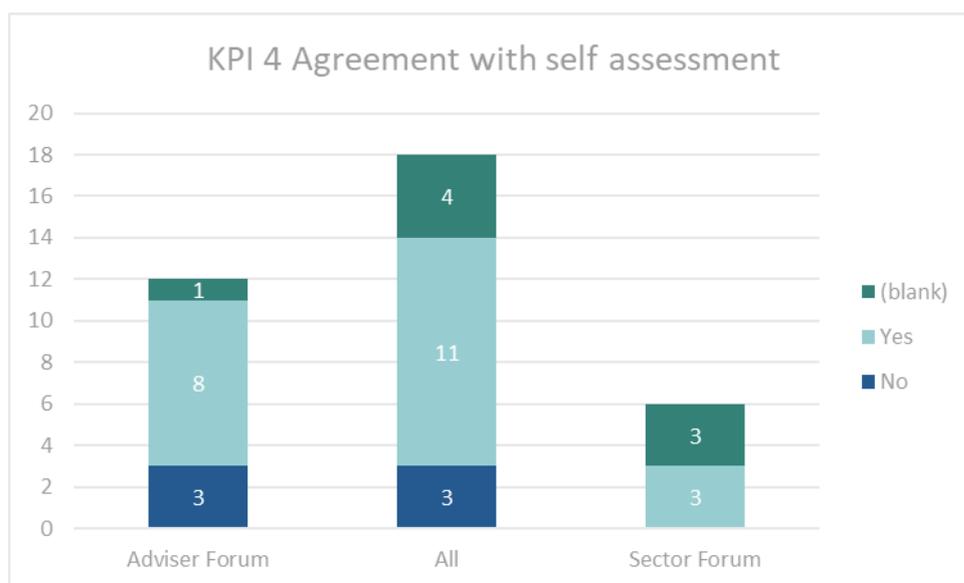
**KPI3: Actions undertaken by regulators are proportionate to the regulatory risk being managed**



- 9 out of 18 members, or 50%, agreed with our self-assessment of Very good
- Of the five members who disagreed with the ACNC’s self-assessment, four thought the rating should be lower and one thought the rating should be higher

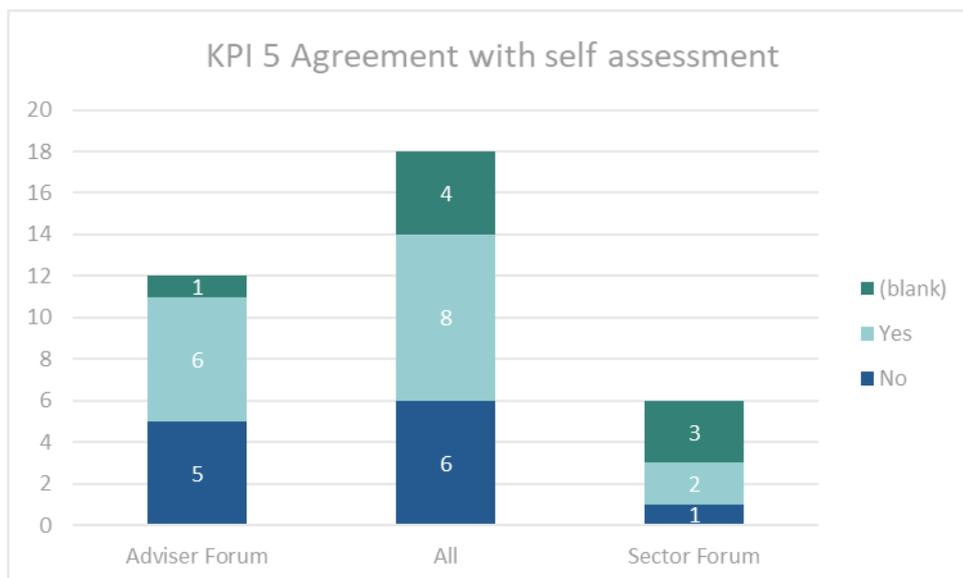
- Feedback included the following:
  - Perception of the regulatory risk is difficult. This is especially true of the enactment of Governance Standards. There is no reporting or auditing of implementation of the Governance standards
  - I think the ACNC has done a fantastic job of balancing regulation with heart for the sector.

**KPI4: Compliance and monitoring approaches are streamlined and co-ordinated**



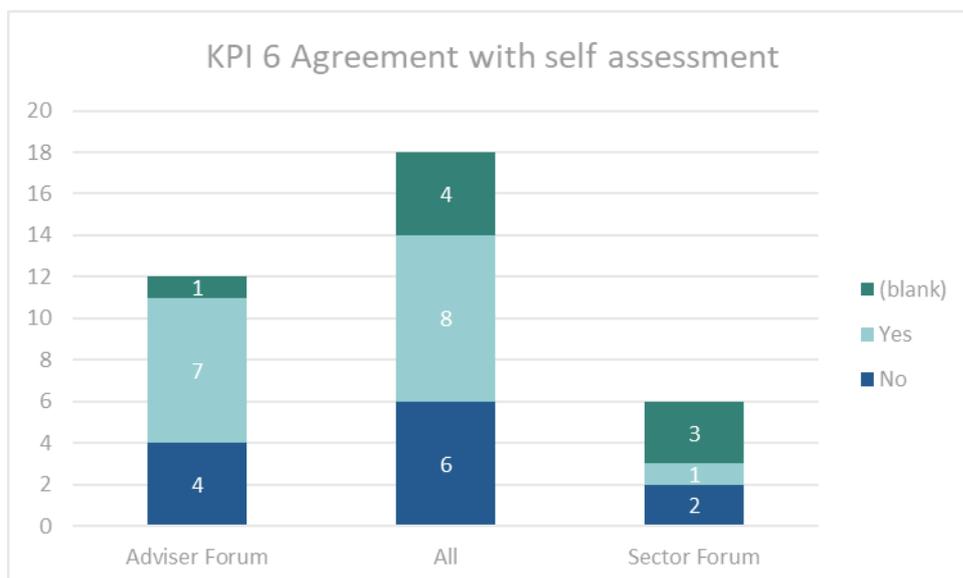
- 11 out of 18 members, or 61%, agreed with our self-assessment of Very good
- Of the three members who disagreed with the ACNC’s self-assessment, three thought the rating should be lower
- Feedback included the following:
  - I believe that the ACNC team performance here has been excellent
  - The regulator has performed its functions very well in a difficult year
  - The exception is monitoring of Governance Standards.

**KPI5: Regulators are open and transparent in their dealings with regulated entities**



- 8 out of 18 members, or 44%, agreed with our self-assessment of Very good
- Of the six members who disagreed with the ACNC’s self-assessment, four thought the rating should be lower and two thought the rating should be higher
- Feedback included the following:
  - The ACNC approach to multiple purposes within PBIs is different for different types of entities
  - In some instances, it looked as if the government initiated a proposal without sufficient communication to the regulator who in turn appeared to be caught with short notice
  - Responses to those who make a complaint about a charity are very limited
  - Excellent work in this challenging space by the ACNC team.

**KPI6: Regulators actively contribute to the continuous improvement of regulatory frameworks**



- 8 out of 18 members, or 44%, agreed with our self-assessment of Very good
- Of the six members who disagreed with the ACNC's self-assessment, five thought the rating should be lower and one thought the rating should be higher
- Feedback included the following:
  - The ACNC can do more on state-based issues
  - Whilst it is hard to co-ordinate red tape reduction in multiple jurisdictions, the ACNC could take more of a leadership and perhaps lobbying role
  - The project to integrate the 4 charity registers outside of ACNC decision making appears to have stalled and/or communication about this to the advisor sector has not happened
  - The contribution to continuous improvement has been evident throughout the year in the engagement with stakeholders and the openness to listening to the sector.

### Conclusion

The ACNC is satisfied with the level of agreement reported through the on-line survey from the approved RPF stakeholder consultation mechanism. We believe that the results of this survey validate our self-assessment ratings of Very good for both the individual KPIs and overall assessment.

**We will continue to work collaboratively with these forums to achieve efficient regulation and we thank the members who completed the survey.**