



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

# 2022–23 Corporate Plan

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# Message from the Acting Commissioner



I am pleased to present the 2022–23 Corporate Plan for the Australian Charities and Not-for-profits Commission.

The contribution of charities to the social and economic fabric of Australia continues to

be substantial. The latest figures show charity revenue is \$176 billion, with donations accounting for \$12.7 billion. The sector employs 1.38 million people and has 3.4 million volunteers.

However, the operating environment is increasingly complex and volatile. The COVID-19 pandemic, along with natural and humanitarian disasters, has increased demand for charity services while affecting their ability to operate, highlighting the need to evolve and innovate.

Enhancements to the ACNC Charity Register have increased transparency by bringing information about 76,000 charity programs online. Donors and volunteers can now more easily find a cause close to their heart.

Looking ahead, we expect this initiative to facilitate giving and volunteering, promote collaboration and innovation as well as transparency and trust. Already millions of visitors rely on the Register as a source of truth about charities.

A key part of the ACNC's work is providing accurate charity data to the sector and the public and our efforts are focused on ensuring the integrity of the information on the Charity Register. Targeted reviews help us understand, identify and manage risks in the sector, ensure that charities remain eligible to be registered and help them understand and meet their obligations. When charities meet their obligations, their records on the Register are accurate and up-to-date and support our vision of charities that inspire trust and confidence.

Charity leaders play a vital role in guiding their organisations. Good governance is key. A charity's reputation depends on it. Our new eLearning modules for charity board directors will support better governance by allowing leaders to test and consolidate their knowledge.

This is also a milestone year for the ACNC – our tenth year of operation. The ACNC is now a well-established and well-regarded digital first regulator. We have honed our systems and processes and built upon our knowledge of the sector through consultation and data analysis.

We anticipate more changes and challenges in the external environment. However, we are committed to our priority to support a robust and innovative charity sector which holds the trust and confidence of the Australian public.

## Statement of preparation

I present the 2022–23 Australian Charities and Not-for-profits Commission Corporate Plan, as required under paragraph 35(1)(b) of the *Public Governance, Performance and Accountability Act 2013* (Cth) (PGPA Act). This corporate plan covers the period 2022–23 to 2025–26 and outlines how the ACNC will meet its statutory obligations.

**Deborah Jenkins**

ACNC Acting Commissioner

# Purposes and key activities

**The ACNC is established under the *Australian Charities and Not-for-profits Commission Act 2012 (Cth)* (ACNC Act) as the independent regulator of charities at the Commonwealth level.**

**The statutory functions and regulatory powers of the ACNC Commissioner are set out in the ACNC Act, the *Charities Act 2013 (Cth)* and accompanying regulations.**

**The objects of the ACNC Act are:**

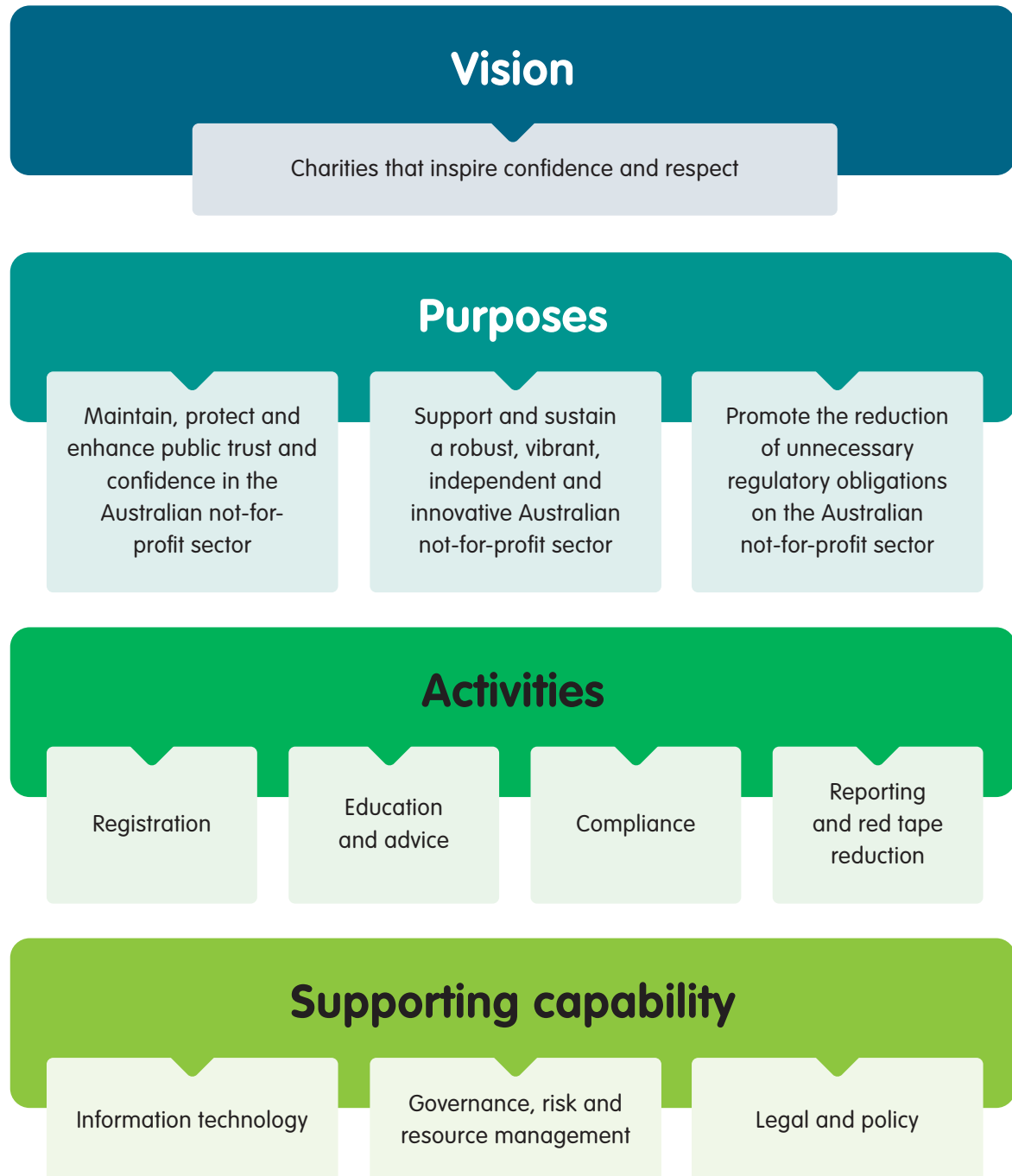
- to maintain, protect and enhance public trust and confidence in the Australian not-for-profit sector
- to support and sustain a robust, vibrant, independent and innovative Australian not-for-profit sector
- to promote the reduction of unnecessary regulatory obligations on the Australian not-for-profit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

**These objects, or purposes, are achieved through the following activities:**

- maintaining a public register of Australian charities
- registering new charities and subtypes of charity
- revoking the registration of charities that are no longer entitled to registration
- collecting information about charities annually
- providing advice and guidance to charities and the public
- disseminating resources for better governance practices
- enhancing transparency and good governance in the sector
- monitoring charities for compliance with legal requirements, and acting on identified concerns
- working across governments to reduce unnecessary regulation.

## Vision and purposes

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 of charities that inspire confidence and respect.



# Operating context

## Environment

As the independent Commonwealth regulator of charities, the ACNC is responsible for registering charities and administering the national regulatory framework for around 60,000 charities. We work across governments to reduce unnecessary regulation and reporting requirements that affect charities. We publish 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 understand their obligations and practice good governance. We develop a range of guidance materials and provide support via our contact centre. When charities fail to comply with their obligations the ACNC will investigate and work with charities to support corrective actions.

We face some uncertainty over the life of this plan. Uncertainties are managed within the ACNC Risk Management Framework and, for this period, include the following issues:

- **COVID-19 pandemic and natural disasters:** COVID-19 has reshaped the way the ACNC and charities operate. Australians are adapting to a new environment where institutions, including charities, are operating in different ways to support communities. The pandemic has been compounded by natural disasters which continue to test and challenge parts of Australia. Supporting communities impacted by disasters remains a key priority for charities. The ACNC works with charities to ensure they have robust governance processes in place to help them to 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, which include the Deductible Gift Recipient (DGR) Reforms, charity reviews and legislated reporting changes.
- **Hybrid working arrangements:** Following COVID-19, the Australian Public Service workforce had to adapt to a new operating environment and position itself to handle a surge in demand for government services. We supported staff and maintained operational requirements by setting up a hybrid work model, where staff work from home for some of the week and from the office, under flexible arrangements. We will continue to monitor the needs of staff to ensure they are safe and have the technology they require to provide seamless regulation of the charity sector.

# Performance

## Purpose 1: Maintain, protect and enhance public trust and confidence in the Australian not-for-profit sector

We register organisations that apply for charity status, monitor charities' compliance with obligations to maintain this charity status, and investigate charities that are not fulfilling their obligations.

We will demonstrate our performance through the achievement of the following measures:

No.	Measure	PBS reference	Target			
			2022–23	2023–24	2024–25	2025–26
1.1	Percentage of new charity registrations completed within agreed timeframes.	2022–23 Australian Taxation Office (ATO) Portfolio Budget Statements (PBS)	90%	90%	90%	90%
1.2	Percentage of charities complying with timeliness of Annual Information Statement submission requirements.	2022–23 ATO PBS	75%	75%	75%	75%
1.3	Percentage of investigations finalised within 12 months.	2022–23 ATO PBS	75%	75%	75%	75%
1.4	Number of investigations completed.	2022–23 ATO PBS	75	75	75	75
1.5	Number of DGR reviews conducted annually.	2022–23 ATO PBS	2% of charities on the Charity Register with DGR endorsement.			
1.6	Number of Compliance risk reviews conducted annually.	N/A	50	50	50	50
1.7	Number of annual financial reports examined for accuracy.	N/A	250	250	250	250

## Purpose 2: To support and sustain a robust, vibrant, independent and innovative Australian not-for-profit sector

We support charities by providing education and guidance and by maintaining the Charity Register, an online searchable register of information about charities. This information is made publicly available to support transparency and trust in the charity sector.

We also collect and analyse Annual Information Statement and annual financial report data and provide tools and best practice examples to assist good governance.

We will demonstrate our performance through the achievement of the following measures:

No.	Measure	PBS reference	Target			
			2022–23	2023–24	2024–25	2025–26
2.1	Increased usage of the enhanced Charity Register with searchable program data available.	2022–23 ATO PBS	Increased usage of the Charity Register.			
2.2	Percentage of phone calls answered within 4 minutes.	2022–23 ATO PBS	80%	80%	80%	80%
2.3	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.	2022–23 ATO PBS	Information and guidance materials reviewed and updated or published for the first time as required.			
2.4	Information about charities is published	N/A	Publication of Australian Charities Report.			



## Purpose 3: Promote the reduction of unnecessary regulatory obligations on the Australian not-for-profit sector

When implementing new regulation, we commit to working with charities and other stakeholders to minimise any unnecessary regulatory burden.

We also work with state and territory governments in addition to Commonwealth government entities to reduce unnecessary regulatory obligations for charities. We work to harmonise and simplify reporting for charities and establish data sharing arrangements to help them consolidate their reporting to government.

We will demonstrate our performance through the achievement of the following measure:

No.	Measure	PBS reference	Target			
			2022–23	2023–24	2024–25	2025–26
3.1	Reduction of unnecessary regulatory burden for charities.	2022–23 ATO PBS	80% of respondents agree that the ACNC has met this measure through a stakeholder survey.			

## Notes

Our performance against the purposes above will be based on the following data sources and methodology.

### Data Sources:

- ACNC customer relationship management system
- ACNC Charity Register
- ACNC website
- ACNC Annual Report
- Data submitted by charities (including the Annual Information Statement and annual financial reports)
- Stakeholder survey
- Collated qualitative/quantitative information
- Case examples.

### Methodology includes:

- Information contained within ACNC's internal procedures
- ACNC internal performance reports
- Stakeholder survey results
- Performance against service standards
- Publication of reports/submissions on our website
- Manual compilation.

# Governance and accountability

## Accountable authority

The ACNC is not a Commonwealth entity for the purposes of the PGPA Act. The ACNC Commissioner sets the direction and priorities of the ACNC, determines how resources will be allocated and produces the ACNC Corporate Plan and Annual Report. The Commissioner of Taxation is the Accountable Authority for the ACNC for PGPA Act purposes.

## ACNC advisory board

The ACNC Advisory Board consists of charity sector leaders and experts in charity law, taxation, accounting and policy as well as state government officials. The Board provides advice to the Commissioner on issues and provides valuable insights into the Australian charity sector.

## Independent audit and risk oversight

The Commissioner of Taxation supports ACNC governance by providing an independent mechanism to assist the ACNC in monitoring risk and compliance with the PGPA Act.

The ACNC provides risk and performance updates for the consideration of the ATO Audit and Risk Committee at every quarterly meeting.

# Operating principles

**We regulate a sector committed to helping communities, here and abroad. We assist them to meet their obligations, operate effectively and maintain the trust of the community.**

We are guided by three principles of best practice that help us deliver on our objects.

These principles drive our activities, performance measures and purpose. We will use a mix of qualitative and quantitative performance measures to provide a cohesive picture of our performance.

## Principle 1: Continuous improvement and building trust

*We adopt a whole-of-system perspective, continuously improving our performance, capability and culture to build trust and confidence in Australia's regulatory settings.*

Measure	Target
Launch of the new registration application form which will simplify the process for the applicant and increase efficiency within the ACNC	Completion by committed timeframe.
Results from specified questions from ACNC stakeholder survey	80% of responses from ACNC's stakeholders agree.

## Principle 2: Risk based and data driven

*We manage risks proportionately and maintain essential safeguards while minimising regulatory burden, and leveraging data and digital technology to support those we regulate to comply and grow.*

Measure	Target
Results from specified questions from ACNC stakeholder survey	80% of responses from ACNC's stakeholders agree.

## Principle 3: Collaboration and engagement

*We are transparent and responsive communicators, implementing regulations in a modern and collaborative way.*

Measure	Target
Services are delivered in accordance with the ACNC's service standards	Service standards achieved.
Results from specified questions from ACNC stakeholder survey	80% of responses from ACNC's stakeholders agree.

# Risk management

**The ACNC Risk Management Framework helps staff effectively manage risk across the agency. It is an essential component of good corporate governance, decision making and performance management.**

Our risk tolerance varies according to the operating environment, the nature of the work being undertaken and our willingness to accept risk in working towards our purposes.

The tolerance for risk is set by the Commissioner and reviewed regularly. The leadership team has overall responsibility for monitoring and managing risk within ACNC operations.

Outlined in the table below are the strategic risks that affect our ability to achieve our vision and purposes over the life of this plan, and the mitigating strategies that bring these risks within the tolerance limits of the Commissioner.

Strategic risk	Mitigating strategies
<b>An incorrect registration decision is made, and an organisation that is not entitled to charity status is placed on the Charity Register</b>	We undertake quality assurance of a random selection of registration application decisions each month to ensure that only eligible charities are registered. Applications undergo an initial risk assessment and registration policies and processes are regularly reviewed and tailored to ensure that any risks based on the complexity of the application are addressed. We review applications internally before they are refused.
<b>The data on the Charity Register is not up to date, reliable or complete</b>	We undertake quality assurance reviews of charities on the Charity Register to ensure that they are still eligible for registration. We review Annual Information Statements and annual financial reports for accuracy and revoke the registration of charities when they fail to meet their reporting obligations. We work with charities to ensure their records on the Charity Register are current and complete.
<b>Our compliance activities do not address non-compliance in the charity sector</b>	We remove charities from the Charity Register when they fail to meet their governance and reporting obligations. We use data analytics to inform our understanding of risk and guide our compliance activities. We have introduced new compliance activities to ensure our compliance policies and practices are tailored to address low, medium and high-risk concerns. We have quality assurance processes in place to ensure our decisions align with our regulatory approach and are legally correct.
<b>The public loses confidence in the charities sector</b>	We support trust and confidence by releasing information and resources that help the public understand the work of the sector and how we manage risks in a proportionate manner. We act swiftly and firmly where vulnerable people or significant charity assets are at risk, where there is evidence of serious mismanagement or misappropriation, or if there is a serious or deliberate breach of the ACNC Act or ACNC Regulation.

Strategic risk	Mitigating strategies
<b>The Charity Register and public education and advice are not relevant, timely or well targeted</b>	<p>We provide high-quality, easy-to-understand information, on a user-friendly website to help members of the public:</p> <ul style="list-style-type: none"> <li>• find information about the charity sector</li> <li>• find registered charities to support (via the Charity Register)</li> <li>• raise concerns about registered charities</li> <li>• contact our Advice Services team for further assistance.</li> </ul> <p>We publish guides and materials to help charities understand charity law and meet their obligations.</p> <p>We regularly update Charity Portal content.</p> <p>We regularly review and update our materials to ensure they remain effective in meeting the needs of charities. We also develop additional resources in response to emerging issues.</p>
<b>We fail to minimise the regulatory burden on charities</b>	<p>We will continue to consult with the Sector Forum and Adviser Forum and Consultation Panel to minimise any unnecessary regulatory burden.</p> <p>We work across the Commonwealth and with state and territory governments to reduce unnecessary regulatory obligations for charities.</p> <p>We work with professional bodies to provide clear advice to charities on financial reporting and disclosures.</p> <p>We provide other government agencies with access to charity data via the ACNC Charity Passport.</p>
<b>We fail to provide secure, reliable and modern IT systems</b>	<p>We monitor our compliance with the Protective Security Policy Framework and continually work to strengthen IT security.</p> <p>We have offsite back-up and disaster recovery arrangements in place.</p> <p>We provide training to IT staff to enable them to provide effective support for all ACNC platforms.</p>
<b>Our resourcing is insufficient to achieve our vision and purposes</b>	<p>Our budgeting, forecasting and reporting processes are robust and support our resource planning and management decisions, including human resources.</p>
<b>We fail to comply with legislative requirements</b>	<p>We provide advice on existing and emerging legal risks and risk mitigation strategies.</p> <p>We draft and review policies and procedures, administrative decisions, work instructions, and education and guidance material.</p>
<b>We are unable to respond to changes in our environment because we lack awareness of issues and have inflexible systems</b>	<p>Our strategic planning cycle includes environmental scanning and a risk assessment exercise. The results of this exercise are validated and updated periodically through the year.</p>
<b>We fail to provide adequate supervision and guidance for staff working remotely</b>	<p>Our staff have agreements for working from home and have access to support and guidance materials.</p> <p>We use relevant technologies to stay connected.</p>

# Cooperation and engagement

The ACNC could not deliver on its vision and purposes without the cooperation of other like-minded groups and organisations including:

Groups and organisations	Activity
Charities	We work with charities to help them understand and meet their obligations. We provide education, support and guidance and we consult with charities about changes that may affect them.
Australian public	We strive to improve public understanding of charities' work. We publish the information we collect as part of regulating charities on our Charity Register.
Australian Taxation Office	The ACNC Commissioner is the independent regulator of charities. Staff of the ACNC are employees of the ATO operating under the direction of the ACNC Commissioner. The ACNC is not a separate Commonwealth entity and is part of the ATO for the purposes of the PGPA Act. Charities registered with the ACNC are eligible for charity tax concessions administered by the ATO. We have a memorandum of understanding with the ATO for the joint administration of charitable entitlements and tax concessions and compliance activity. Memorandums of understanding are also in place for the provision of supporting functions by the ATO including human resources, enterprise solutions and technology, finance, accommodation and communications.
Other Commonwealth entities	The ACNC is part of the Treasury portfolio. The Treasury portfolio undertakes a range of activities aimed to support sustained growth in the economy. Our activities align with Treasury policy direction and outcomes.
State and territory governments	We work with state and territory governments to identify ways to reduce the regulatory burden on charities. We share perspectives and address issues in a collaborative manner.
ACNC Advisory Board	The Advisory Board 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 office holders.

<b>Groups and organisations</b>	<b>Activity</b>
<b>Consultation panel</b>	The ACNC Consultation Panel assists the ACNC to improve our regulation of the charity sector by providing feedback on new or proposed guidance, forms or policies. We invite representatives of charities, advisers to the charity sector, and people with relevant experience in the sector to join the panel.
<b>Sector Forum</b>	The Sector Forum comprises representatives of the charity sector and government agencies. We invite the Sector Forum to comment on ACNC procedures, publications and regulation to support continual improvement.
<b>Adviser Forum</b>	The Adviser Forum comprises representatives of advisory bodies to the charity sector and government agencies. We invite the Adviser Forum to comment on ACNC procedures, publications and regulation to support continual improvement.
<b>Academics and Researchers</b>	The ACNC works with academics and researchers to improve public understanding of the work of charities.

# Capability

**Our capability underpins our work and has three fundamental components:**

## Information technology

Our information technology platforms facilitate communication, innovation and transparency.

This supports strategic decision making through governance of information and data analytics.

We will strengthen our information technology capability through the development of a multi-year plan to identify and take opportunities, overcome challenges and gaps, and create a vision for our future needs.

## Governance and resource management

Our governance and resource management capability ensures our human resources, governance and finance functions are managed across the ACNC. This capability supports strategic decision making through workforce insights and performance monitoring and reporting.

We will continue to implement the Workforce Plan and its associated strategic projects, including the ACNC Employee Value Proposition and ACNC Culture Plan with an overarching focus on investing in our leaders' capability and employee wellbeing.

## Legal and policy

Our legal and policy team provide quality advice that supports our strategic decision making, our response to objections and our management of all legal matters.

We will strengthen our legal and policy capability by providing agency-wide training and support to ensure our ongoing compliance with legislation, regulation and government policy objectives.



# Glossary and acronyms

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

**ACNC Act** – the *Australian Charities and Not-for-Profits Commission Act 2012* (Cth) and the *Australian Charities and Not-for-profits Commission (Consequential and Transitional) Act 2012* (Cth).

These two Acts established the ACNC and set out its powers and functions.

**ACNC Regulation** – *Australian Charities and Not-for-profits Commission Regulation 2013* (Cth). This regulation provides more detailed requirements about the ACNC Charity Register and financial reporting.

**Annual Information Statement (AIS)** – the annual statement that registered charities must submit to the ACNC. The Annual Information Statement requires information about a charity's operations for the relevant reporting period.

**Charity Portal** – an online service registered charities use to update their details and submit their Annual Information Statement. It is available at [charity.acnc.gov.au](https://charity.acnc.gov.au)

**Charity Register** – a consolidated database of all charities that have met the definition of charity in the *Charities Act 2013* (Cth) and other requirements for registration under the ACNC Act.

**Operating Principles** – principles that underpin our approach to regulation and achieving best practice.

**PGPA Act** – the *Public Governance, Performance and Accountability Act 2013* (Cth) – establishes a coherent system of governance and accountability for public resources, with an emphasis on planning, performance and reporting.

**Regulation** – relates to the regulatory obligations on the Australian not-for-profit sector.

**Regulatory approach** – how the ACNC approaches its role as an independent charity regulator. The regulatory approach is available at [ACNC Regulatory Approach Statement](#).