

Opening statement February 2025**Sue Woodward AM****Commissioner****Australian Charities and Not-for-profits Commission****Senate Estimates Economics Committee**

Since our last appearance before this Committee, **we announced action taken against one of the Hillsong group of entities** – an enforceable undertaking for Hillsong College (20 December 2024).

The undertaking is legally enforceable and one of the most serious regulatory actions we can take. Hillsong College will have to report to us regularly for the next 18 months and demonstrate they have met the terms of the undertaking.

Hillsong College is required to improve their record keeping, ensure their directors act appropriately, adhere to the ACNC External Conduct Standards and meet their financial reporting obligations.

The ACNC accepted the enforceable undertaking from Hillsong College which sets out the terms that must be met and the actions it has already undertaken to improve governance. A summary of the undertaking can be found on the charity's record on our Register.

This is not the end of our Hillsong compliance action. We are considering the use of compliance agreements for some investigations into other Hillsong Church charities.

Speaking generally, our Governance Standards emphasise that a charity's Responsible People, such as directors, must act with reasonable care and diligence, act honestly and fairly in the best interests of the charity and for its charitable purposes, and not misuse their position or information they gain in their roles for their own benefit or enrichment.

They must also disclose conflicts of interest and ensure that the financial affairs of the charity are managed responsibly.

In practice, good governance in line with our Governance Standards includes transparent reporting and accounting. If requested, charities need to show us evidence of responsible decision-making which includes records of meetings.

If no records exist, then it is hard to follow the money and the decision trail. It is also hard for a charity to account for what actions were taken and why, and if any decisions taken conformed with the ACNC Governance Standards and its own governing documents.

We provide extensive guidance on our website and templates for charities to use for these purposes.

As part of our regulatory approach, we work with a charity to bring it back into compliance if possible and appropriate. If a charity demonstrates remedial actions, we must consider these as part of our decision-making when using our powers.

In terms of our core registration work, we continue to work closely with peak bodies and not-for-profits affected by the self-assessing tax exempt reporting measure which requires not-for-profits that are charitable to register with the ACNC if they want to remain exempt from paying income tax.

We have provided guidance to their members about registration and streamlined the process where possible, to implement a bulk registration process.

We have acted on recommendations from the Senate's Not-for-profit entities - Tax Assessments report (November 2024) by reviewing our guidance to highlight factors affecting the registration of not-for-profit entities as charities. We have shared our guidance with the ATO to ensure there is consistency in our guidance products.

We are managing the increase in registration applications. We have improved our allocation time. The majority of our cases were received less than four weeks ago, down from four months this time last year.

In anticipation of a federal election, we have updated our advocacy guidance, and we will be promoting that to charities to ensure they understand the rules.

Charities can advocate and run campaigns during elections, including evaluating and ranking policies, if it serves their charitable purpose.

Charities should be careful not to support or oppose a particular political party or candidate as this will run the risk of being found to have a disqualifying purpose. Likewise, donations to political candidates or parties will run the risk of being found to have a purpose of supporting a particular party or candidate. However, charities can spend money on campaigning if it supports their charitable purpose, which includes advocating for policy positions or relevant law changes.

We know charity political advocacy is an area of concern for the public as leading into the last election we received nearly 500 related concerns. Our goal is to help charities understand the rules and guide them back into compliance if an issue arises.

And finally, a brief mention of our critical **reporting work**. Most charities needed to submit their 2024 Annual Information Statement by the end of January. As at 14 February, the submission rate is 75%. Submitting the Annual Information Statement is important to maintain the integrity of data on the Charity Register, and is such a valuable tool for donors and others engaged with the sector.