Opening statement 9 October 2025

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Commissioner
Australian Charities and Not-for-profits Commission
Senate Estimates Economics Committee

Our ambition to ensure all charities meet their ACNC obligations continues to guide our work; work which helps underpin public trust in the Australian charity sector.

Recently **we published our 2025-2026 Regulatory Focus area** – effective record-keeping.

As well as being a legal obligation, appropriate records management is integral to the operations of all charities, regardless of their size, complexity or maturity. We consistently find that charities lacking appropriate record-keeping, experience other governance failures. Our focus is an education-first approach to prevent more serious governance and compliance issues.

Our **extensive guidance** plays a vital role in ensuring charities can readily access the advice and tools they need. We have revamped our online learning modules and issued new guidance to support good governance in complex charity structures.

In June, we published the **11th edition of the Australian Charities Report.** Thanks to 52,627 Annual Information Statements, we know charities continue to form a key part of the economy.

Charity revenue reached a record high of $222 billion, up by 10.7%. This rise was greater than the increase in expenses, which were up by 8.4%. Despite the rise in revenue, the data shows that donations flatlined, except for one large donation to a single charity.

Extra small charities made up over 30% of the sector but generated only 0.1% of total sector revenue. In contrast, extra large charities which comprised just 0.5% of Australian charities, accounted for 56% of the sector's total revenue.

Charities employed 1.54 million people, which is 10.7% of Australia's workforce. Volunteers increased to a nearly record high of 3.77 million.

We ran an **election advocacy campaign** to educate charities about their rights and responsibilities in the lead up to the 2025 federal election.

During election campaigns, it is typical for the ACNC to see a rise in concerns about charity advocacy activities. Before the 2025 election, we received 63 political advocacy concerns. This number is considerably lower than the 445 political advocacy concerns made prior to the last federal election in 2022.

The number of charities we received concerns about also decreased – 18 charities compared with 38 charities in 2022.

The Australian Tax Office's implementation of reporting requirements for self-assessing income tax exempt (SAITE) not-for-profit organisations continues to keep our registration team busy. **In the period between 1 July and 31 August 2025, we registered 1,030**

charities, which is a 5% increase compared to the same period last year. Last financial year 51% of applicants told the ACNC their motivations for registration were SAITE related.

We've taken a range of actions to respond to the increase since the measure began, including working closely with 80 different peak bodies to implement a bulk submission process to streamline applications from similar organisations. We continue to work with these groups to support their members to understand their ongoing ACNC obligations.

On 29 September we released **an updated Commissioner's Interpretation Statement on Public Benevolent Institutions (PBIs).** The updated CIS takes account of the 2024 judgement of the Full Court of the Federal Court on Equality Australia's PBI status.

The statement makes clear that the ordinary meaning of PBI will continue to evolve over time, and that the ACNC will consider contemporary ways organisations look to relieve benevolent needs.

Since our last appearance at Senate Estimates, we have published a further two de-identified registration decision summaries, which aim to provide applicants seeking charity registration real life examples of ACNC decision-making.

Our **annual stakeholder forum, this year called the 'Governing for Good Forum**', was held on 30 July, with over 700 in person and online attendees.

We were joined by 20 speakers over 9 sessions. Panels provided updates from senior ACNC staff and explored a range of current issues including registrations flowing from the SAITE measure, ways charities can mitigate risk when working overseas and the importance of diverse boards.

The evaluations were extremely positive, with 92% of attendees sharing they were satisfied with the event.

Once again, our **on-time reporting for 2024 Annual Information Statements** remained strong with 73.4% submitting by the deadline, compared to 72.5% in the previous year.

As part of our continuous improvement, we worked with the Australian Centre for Evaluation to trial the impact of sending an additional reminder direct to a Responsible Person. The collaboration was productive, and we will continue to take forward the learnings in future campaigns. Pleasingly, 97% of charities have lodged their 2023 Annual Information Statements, so our work is primarily around growing the number that report on-time.

Looking ahead to the first half of 2026, we will work to complete the implementation of the initiatives we committed to in our letter to The Treasurer and Minister for Finance in August (regarding regulatory reform opportunities to bolster productivity growth). Since our inception, and implicit from the objects of the ACNC Act, is a focus on working with governments of all levels, other regulators and agencies to reduce any unnecessary regulatory obligations that could hold the sector back from being sustainable, vibrant and innovative.