Webinar transcript – Staying on track: Animal welfare charities

7 December 2017

**Matt:**

Hello everyone, and welcome to the ACNC’s webinar today for animal welfare charities – titled Staying on Track Animal Welfare Charities.

You have three presenters today. My name’s Matt Crichton, I’m from the Education and Guidance Team here at the ACNC And with me is Beth Stryk, who works in the Advice area of ACNC Hello Beth.

**Beth:**

Hi, guys, how are you doing?

**Matt:**

And Julia, I’m going to get your surname wrong, I know it. Bielak.

**Julia:**

Correct, well done, hi everyone.

**Matt:**

Who is from Compliance here at the ACNC.

So we’ve got two eminent experts for you to hear all you need to hear about staying on track as a registered charity.

Also, we have a couple of colleagues answering your questions via text as we go in the other room. That’s Alex and Amanda, so as you type in some questions throughout the webinar, the answers you get back via text will, on your go to webinar control panel, will be from either Alex or Amanda.

I think that’s enough from me for the time being. I will let Beth take over for the moment. Beth, can you let everyone know what they’re going to learn about today?

**Beth:**

Yeah, absolutely. So today we’re going to look at some information that we know about animal welfare charities, just some statistics about the sorts of organisations that we class as animal welfare charities.

We’re going to go through some of the types of concerns that the ACNC receives about animal charities, some common issues that are faced specifically for animal welfare charities.

We’ll look at a few case studies. We’ll talk about what you can do, and then as Matt mentioned, we’ll have a question and answer opportunity at the end.

**Matt:**

Yeah right, so if you’ve got some questions you can hold off until the end of the formal presentation, because who knows, your question might be answered as we go through it.
OK, lots to cover today. First, let’s get into some interesting information about the animal welfare charity sector, if we could call it that. Beth, what is there to know about the animal welfare charities in Australia?

**Beth:**

So firstly, when we talk about animal welfare charities, we’re specifically referring to not-for-profit organisations that are registered with ACNC and whose main purpose is the prevention and relief of suffering of animals.

So animal welfare charities. There is around 800, in total, that we have registered.

For the statistics that we’re about to look at we’ve taken about 500 of those charities that specifically focus on companion animals or domestic animals, dogs, cats, that kind of thing, rather than broader native wildlife. But they’re still included in the broader scope.

Specifically (the groups) we’re looking in generally can be involved in more than one activity, like running a shelter, a sanctuary, animal rehabilitation or rehoming. So that’s what we’re talking about when we say the four R’s.

**Matt:**

The four R’s there.

**Beth:**

Yeah, rescue, rehabilitation, rehoming and research.

**Matt:**

OK, and what about the location and the structure of these organisations?

**Beth:**

If you look at the graphs there, there’s a few interesting statistics – if you like stats like me! You’ll see that most of the animal welfare charities – the 500 that we’ve assessed – are located in New South Wales, Victoria and Queensland.

And that’s pretty representative of the broader charity sector as a whole as well. You’ll find most of the charities operate from those locations. And that’s kind of typical, just because of where the population is dispersed. So no surprises in terms of location.

Legal structure. So a charity’s legal structure affects its identity, governance structure and compliance obligations. So unincorporated tend to be smaller organisations, informal, they don’t have a legal identity per se.

Whereas incorporated or companies are more formalised and might have more governance structures in place. Animal welfare charities, typically there’s a higher number of incorporated associations than in the broader charity sector which is an interesting little statistic there.

**Matt:**

Yeah right, OK, and just before we move on.

I guess a lot of the audience here is familiar with this structure, many of them will be incorporated associations in one of those larger states, although we know we’re speaking an audience from all over the country.

We do have a quick poll to get you thinking about animal welfare charities and dealing with the ACNC.

Just a couple of questions for you, we’ll give you a few seconds to answer each one. But we’ve got a little poll, asking about whether or not you have had any questions, concerns raised about your organisation.

So if you could take a few seconds to answer that one, the question being, have you ever raised a concern about an animal welfare charity, or had one raised about your animal welfare charity?

And you’ve got four options. Yes, I’ve raised a concern about on, not necessarily yours. Yes, I’ve had one raised about the charity I’m involved with, neither, or both.

So a couple of seconds just to answer that one, and we’ll see what results we get.

Let’s close the poll and have a look at some of the results. There we go. As you can see, most common is neither.

**Beth:**

That’s good, that’s heartening. That’s really good.

**Matt:**

Although we do have some people that have raised a concern about a charity. I presume not necessarily about their own. Eight know that they’ve had one raised about them, and 8% both. Interesting. OK, let’s move on.

**Beth:**

So, some more statistics.

**Matt:**

This time about money.

**Beth:**

This time about money. So, of the animal welfare charities that we’re looking at today, 70% of animal welfare charities are endorsed as Deductible Gift Recipients by the Australian Taxation Office. So that’s where, if people are giving them donations, those individuals can claim it back from their tax, 89% are small charities.

So when we talk about small, medium and large charities, we’re looking at their revenue. So small is under $250,000 a year. The average income of those small charities is $63,500 per charity, which is still quite a lot. But if you look at the graph underneath, you’ll see the vast majority are still under $50,000 a year.

So there’s just a few dragging that figure up on the average.

**Matt:**

Yeah right, and I guess maybe most of our audience would feel like $63,500 is beyond what they’ve got. It’s probably represented in this graph down the bottom.

**Beth:**

Yeah, so there’ll be some larger small charities, that as I said, will pull that statistic up. The vast majority have under $50,000 a year to achieve their purpose.

**Matt:**

And how about the people that make up these charities?

**Beth:**

So looking at animal welfare charities that we currently have registered, there’s a combined total of about 2,831 paid employees, and vastly outweighing that, there’s 12,300 odd volunteers. So that’s 25-odd volunteers per charity.

**Matt:**

That’s a lot.

**Beth:**

That is a lot. So a few interesting things about that. The broader charity sector usually has about twice the number of volunteers they do to paid employees.

So the animal welfare charity sector has 4.5 times more volunteers. So there’s a lot of people volunteering within that space.

**Matt:**

Yeah, in comparison to the rest of the charity sector. Right, maybe that does resonate with our audience too. And just before we get into some of the details about some of the concerns, we felt we couldn’t do a welfare on animal welfare charities without showing some of the precious fur babies of our office.

On the left here we have a little puppy called Whisky, who is the precious one of one of our colleagues here at the office. Who else have we got, Julia?

**Julia:**

That kitten is my kitten, Hero, and he was adopted from an animal welfare charity.

**Beth:**

And the little guinea pig down the bottom, that’s Pip. So Pip is Alex’s little guinea pig, also a rescue.

**Matt:**

Excellent. Now getting into some of the concerns commonly reported to the ACNC, let’s go through these one at a time. We’ve got a few to touch on.

**Beth:**

As it says on the screen, animal welfare charities have the highest prevalence of concerns than any other subsector. And there’s a couple of possible reasons for that, that we’ll discuss later.

So for about every 100 charities registered as animal welfare charities, there’s about 9.4 concerns, and that’s compared with the broader charity sector, where there’s about 2.05, so about 2 to every 100. Animal welfare charities also have a higher number of multiple concerns per charity.

**Matt:**

So you mean one charity getting a whole bunch of people say a few things about it.

**Beth:**

Which is more prominent with animal welfare charities than other parts of the charity sector, which is really interesting.

So when we say concern, typically we’ve got a raise a concern about a registered charity form, which is the Form 6A you’ll see there. So they typically come from members of the general public, or people who are involved in the organisation, volunteers, or other people who have an interest in what the organisations are doing.

**Matt:**

And just incidentally, if you did want to raise a concern about a charity, that form, it is a replication of a real form, and you can find it there at the website down the bottom, [www.acnc.gov.au/raiseaconcern](http://www.acnc.gov.au/raiseaconcern).

And just some background information about the types of concerns we can look into, but if you do have something you want to raise with us, that’s the form you want to find. OK, so let’s move on to another poll.

**Beth:**

OK, so we’re going to just ask about – I’ve said it’s disproportionately high for animal welfare charities to have concerns. We’ve seen that most people, 73% of people who are here in today’s webinar, haven’t raised a concern, nor have they had a concern raised about their charity, which is fantastic.

But we were going to ask you why you think that animal welfare charities have disproportionately high results when it comes to these concerns being raised about them, compared to the broader charity sector. So if you just take a minute to respond to the poll.

**Matt:**

We’ve got five options there. Lots of contact with the public, high passion but limited experience in running an organisation might be a case, high degree of public scrutiny and expectations, just a general lack of time and resources, or do you think it might be all of the above.

There we go, we’re almost done, almost everyone’s voted, let’s close the poll, and we’ll have a look at the results. OK, there we go. What have we got. Almost half of you said all of the above. Which is probably to be expected, I would have thought.

**Beth:**

Yeah, so there are a few common reasons why things are brought to our attention, just to get you thinking.

**Matt:**

But interestingly, high passion, limited experience in running an organisation is the second one, if you take out all of the above, it’s the one with the most, the greatest number of results.

**Beth:**

So I suppose when we were looking at those figures about volunteers and the fact that there’s a lot of volunteers out there, volunteering in these animal welfare organisations, that might be why that rings a bit true.

**Matt:**

Let’s move on. Julia, take it away.

**Julia:**

Thanks, Matt. There’s some common types of concerns that we receive. I’ll go through those. So private benefit, for example one of the charities’ responsible persons is using the van for personal errands.

So a private benefit is when you’re using the charity’s funds or resources for your own benefit. Responsible Persons, I’ll just define that term. That’s like board members or committee members.

**Matt:**

OK, so it’s not just someone who’s there that’s pretty responsible, it’s someone who has a formal decision making role within the organisation, like a board member or a committee member, a treasurer.

**Beth:**

A director.

**Julia:**

Correct, exactly.

**Matt:**

What about the next one?

**Julia:**

Financial mismanagement, so people raise this kind of concern with us as well. An example there, you’ve run a barbecue at Bunnings to raise some money for the charity, and not all the donations have made their way into the bank account. Or they’re not all recorded as having made their way there.

**Matt:**

What about the next one?

**Julia:**

A lack of accountability to members. So having an A.G.M. is a way that people can ask questions about your charity and find out what’s been going on. And when people don’t have one, we sometimes get concerns raised with us.

Not following governing documents is another one. So your governing documents might define how many committee members you need to have, and there might not be enough. The governing documents, I’ll just define that, Matt, as well.

So that could be your constitution, your rules, your articles of association. Perhaps a trustee.

**Matt:**

So it’s the thing that sets up what the organisation does and how it runs, and its processes, and it’s usually, like you said, a Constitution or Rules of Association.

**Julia:**

Yes, it’s quite an important document. Sometimes the concern that the charity is not pursuing its charitable purpose is raised with us. So maybe the charity is not helping animals like it’s supposed to be. The public could feel like they’re being misled, for example using a photo that you’ve used previously on social media to fundraise for donations, and you’re using it again, and people know that that animal has actually been adopted.

Internal disputes as well. So when committee members can’t agree, perhaps on how they want to move the organisation forward.

Here’s an example of a proposal to manage the local council pound. People are in disagreement, and we get complaints raised with us.

And the last one I have here is service provision. So not following your own policies or procedures. So for example, someone adopts an animal, they’d like to give it back, your returns policy says they can within two weeks, but you don’t allow them to do that. They might ring us.

**Matt:**

OK, plenty of types of concerns that are raised with the ACNC, but one that pops up fairly regularly is concerns about the behaviour of people involved in animal welfare charities.

Beth, can you just give us an overview of what we mean by this? Because we’re made it a specific section here. What are we talking about when we say concerns about behaviour?

**Beth:**

Yeah, so that’s the way that people who are representing the charity to the public are perceived as acting. So it may be on Facebook, or on the web page, or any other public sphere. Or even internally, in the way they’re dealing with other committee members or volunteers.

So we can receive allegations of bullying and harassment, especially on social media, given the time we live in, where all organisations tend to have a social media presence.

And it’s in the public sphere, it’s out there, so that’s something that comes up quite a lot. Clients might be unhappy with the service that a charity has provided.

So for animal welfare charities, I suppose that’s the expectations of somebody who wants to adopt a puppy, for example, from an organisation, and they weren’t happy with the process or the waiting period.

These organisations can be underfunded, under resourced with all their volunteers. So it’s not an immediate thing, and the public might be frustrated that they didn’t get their puppy straight away, and you guys are doing the best you can. So it can get quite heated. Clients might be unhappy with the way their concerns or complaints have been handled by the actual organisation.

So before we even hear about it, they might have tried to resolve it directly with the organisation, and it hasn’t been resolved to their satisfaction.

**Matt:**

And by the time it comes to the ACNC, there’s already been a bit of back and forth between the client and the animal welfare charity, and it’s already risen to a certain point.

**Beth:**

It’s already escalated. And on top of that as well, disputes between charity staff and clients, or charity staff and other staff. So we get quite a range, really.

**Matt:**

Yeah, right, OK. An important thing to remember is the serious effects that this sort of thing may have on a charity.

**Beth:**

Yeah, so especially if these happen in the public sphere, like on Facebook, they can have some real flow on effects.

So loss of support and donations. These organisations run very much on volunteers, as we looked at earlier, and donations from the public. So if their reputation is damaged because of one particular incident, it can have a huge impact on your ability to actually pursue your charitable purpose, and save the animals that you want to save. So that can have consequences, not just with fundraising and volunteers, but loss of business.

So maybe the people will have a little bit less trust, and maybe they’ll go elsewhere if they’re wanting to rescue an animal, or something along those lines. Even grants, if it’s in the public sphere, it’s searchable by grant makers.

**Matt:**

That’s right, and if people are looking at a bunch of organisations that are all trying to get that same grant money, the last thing you want is any sort of mud on your name, based on this sort of behaviour.

**Beth:**

Yeah, and it can be really critical, if it’s impairing your ability to find good homes for the animals, if you’re doing rehoming activities. So that can be a real problem.

**Matt:**

All right, just to break things up again, some more nice animal pictures. Beth, I’ll let you start, because there’s one of your precious ones there.

**Beth:**

So that lovely parrot there on the left, that’s my rescue parrot, Echo. So he’s on his third home now. Hopefully he will stay with me forever, if I have anything to do with it. Down the bottom there, that’s Liliana, that’s Pip’s friend.

**Matt:**

We saw Pip before.

**Beth:**

We saw Pip before. Up top there, that’s Sammy, and to the very right hand side, that is Lexa and Bobby, and they own our staff members Bri and Sean.

**Matt:**

Plenty of cute little pets.

**Julia:**

Gorgeous.

**Matt:**

I’m sure everyone thinks their own pet is the cutest!

We mentioned concerns that are often raised with the ACNC about animal welfare charities, and there’s quite a range, as we saw.

And then the concerns about behaviour that pop up and are really detrimental to a charity’s operations. Not everything that is raised with the ACNC is something that we can look into.

We have legislation by which we’re bound, and we can only look into certain things.

Julia, can you just take us through what sorts of concerns may lead to investigation? So the stuff that whilst we might have dealt with some of the concerns, initially on the phone, or by email with some advice, some more serious stuff gets a bit further down the line, doesn’t it?

**Julia:**

Sure it does. So some of the more serious stuff, as Matt has described it, could breach our legislation and could lead to potentially serious consequences.

So I’ll talk you through those things, and what we have seen. So private benefit, again, an example there could be using the charity’s funds to pay your own personal bills. Using the charity’s credit card to buy things for yourself. Which could also raise quite serious issues around fraud and theft within the charity. Accountability to members, again we’re more likely to investigate where there’s no accountability evident.

**Matt:**

And when you say this, it might be a phrase that’s a bit tricky for people to get their heads around. What sort of things, I guess if we look in the reverse, what things are being accountable to your members? What is being accountable to your members?

**Julia:**

Sure, so one of the most common ways that people can demonstrate to us they’re accountable to their members is by holding an A.G.M., where you talk about what activities you’ve run in the last 12 months, you give people access to your financials, you give them the opportunity to raise questions with you, and you answer questions and give people, members, information about your charity.

**Matt:**

So it’s providing the opportunities for the people involved in the charity to know what’s going on, to ask questions of the people that are running the charity, to have an open process.

**Julia:**

Yeah, it’s transparent. People can also put information, that sort of information on their website, or any other way they can think of getting it out there, to increase their transparency. Record keeping is another issue that might lead us to investigate. Again, it demonstrates what you’re doing within the charity. So you’re required to keep records of your operational and financial decisions. That way you can demonstrate you’re compliant with the ACNC legislation and regulations, as well as what you’re doing with the public’s money. And that’s a really important thing when you’re a registered charity.

**Beth:**

And I suppose that if you’re keeping those operational and financial records, if members are asking questions about decisions that you’ve made, you have the records to show them how you reached that.

**Julia:**

That’s right, and you can plan for the future of your charity as well, because you know what’s been going on within the charity, how much money you’ve got, where you’re spending it, and those sorts of things.

**Matt:**

Yeah, it’s a good practice, beyond just ticking a box to make sure you’re doing the right thing that the regulator tells you to do. It actually is beneficial for your organisation to do all these things. The knock-on effects will help you later. What about the fourth one here?

**Julia:**

The fourth one is, we see a failure of responsible persons to fulfil their duties. So those duties are outlined clearly in our Governance Standards, and really they include that you must act in the best interest of the charity.

So when you’re making decisions, think about the best interests of the charity, and how it might look to someone else.

I was just going to say, there’s lots of resources on our website about the Governance Standards, and I think there was also recently another webinar that people might like to look at, if they’re interested in more information there.

**Matt:**

Yeah, we’ll include links to some of these resources in the follow up email that you’ll all get after the webinar, once we’ve recorded it and published it and whatnot, we’ll send you a follow up email with a bunch of links to some useful resources, including that webinar on governance that Julia just mentioned.

And how about the fifth dot point here? This is an important one.

**Julia:**

It is. So charities have a duty to notify us when they change their name, or their address. When they change who are the Responsible Persons for the organisation, so if you have a change of committee members or board members, you need to let us know.

And they’re published on the register, so people know who are responsible for your charity. Also if your Constitution changes, you need to let us know about that.

**Beth:**

Exactly right.

**Matt:**

There’s a couple of links there on the bottom right hand corner that you can see, which will have an overview of what Julia just mentioned there about the obligations, and the one underneath that is specific to Governance Standard 5, which covers the duties of responsible persons, so if you wanted to have a look at that, and read in more depth about these obligations then you should go to the website at [www.acnc.gov.au/obligations](http://www.acnc.gov.au/obligations), or for responsible persons, [www.acnc.gov.au/govstd5](http://www.acnc.gov.au/govstd5), so shorthand for Governance Standard Number 5.

When investigations do proceed, what sort of action can the ACNC take?

**Julia:**

So there are a number of actions that the ACNC can take in response to the outcomes of an investigation.

One of the things that we do where the breaches are less serious and the charity shows a willingness to work with us to improve its governance, and the way the charity is run, is we’ll work with the charity to improve processes and procedures, record keeping and those sorts of things. And often when we do that, we walk away and the charity is stronger for it. Or that’s our hope anyway, our intention.

We can issue warnings or enforceable undertakings, penalties. We can refer matters to other regulators if it’s outside our jurisdiction, so we might refer very serious matters to the police. We might refer matters that are regarding the mistreatment of animals to the RSPCA.

The most serious cases, we revoke the charity’s registration, so we’ll take away their ability to be a charity. Look, generally we expect that people will do the right thing, and it’s quite a serious topic that we’re discussing, but we do generally expect people will do the right thing.

But where they don’t, and they seriously or deliberately breach the legislation, then we act.

**Beth:**

And that last point, if we do revoke a charity status, can have some serious flow-on effects to a charity as well, such as potential loss of tax concessions. When we looked at the funding earlier, the money that is in small charities especially, there’s not a lot there to begin with. So that’s quite a serious thing.

**Matt:**

Yeah, loss of tax concessions can really hit a small charity hard. And also, beyond that, if you lose your charity registration, that’s public knowledge too.

The last thing you want is people to be able to see that your organisation has been stripped of its charity status. It has a really significant effect to the reputation of your organisation as well. Which in and off itself will have knock-on effects to finances, because people will be less likely to donate, I would assume.

OK, let’s have a look at a couple of case studies to bring all of this information to how it may play out in the real world. But before we get to it, I might just say this is just a case study, it’s not based on a real investigation. The learnings of it are.

It’s based on some stuff we’ve learned over the five years, but Cat Rescue and the details of the charity itself are, just for illustrative purposes. Beth, can you take us through what happened with Cat Rescue?

**Beth:**

So Cat Rescue, there was some allegations made to ACNC about Cat Rescue. The allegations were that the charity’s funds were being used to pay the rent and other personal expenses of the Responsible Person. So the directors or the committee members.

There was information provided saying that there was no clear separation of charity money and personal money. So when we were talking about record keeping earlier, it’s one of those reasons it’s important.

**Matt:**

So people were having money donations come in, but it was all kept in the same bank account as the owner, or the chair.

**Beth:**

Perhaps, so that was the impression that the persons or people who reported this were under. And despite the fact that in their constitution, it was a requirement, Cat Rescue was said to not be holding any sort of meetings, and that they didn’t actually have any other members. So it was quite closely held. It was just a small group of people.

**Matt:**

So even though their Constitution said they needed, say five committee members as being an incorporated association, or whatever it may be …

**Beth:**

Perhaps they had two. So that was what was reported to us.

**Matt:**

OK, and when we had a look at it, and got in a little bit deeper and saw some of the details, what did we find, Julia?

**Julia:**

We found that in actual fact, the charity did have some records to show that its funds were being spend on charitable purposes. So that does demonstrate how important it is to have those records. They were able to answer questions from us.

**Matt:**

So it appeared from the outside that there was something dodgy going on. The records didn’t show to a supporter or someone from the public that the money was kept separate, but in actual fact it was.

**Julia:**

It was. Well, it wasn’t kept separate, but the charity could satisfy us that the money that was coming in for the charity was also being spent on the charity.

**Matt:**

Based on the record keeping.

**Julia:**

Based on the record keeping. And they worked to, it wasn’t ideal, but they worked to improve their record keeping so that same issue couldn’t be raised again.

It makes good sense to keep your money separate from the charity’s money. They set up some new and better record keeping procedures, and a bank account in the name of the charity, to really delineate those things.

The charity also elected more people to the committee and started holding regular meetings.

It is something that we see quite a bit with animal welfare charities. They’re started often by family and friends, who are really passionate about what they do, which is excellent.

However, sometimes issues arise because everyone knows each other. And to people looking into the charity, they may fear that they aren’t holding each other accountable, because they know each other and there might be conflicts of interest. People might not be making decisions in the best interests of the charity.

So we would advise people to consider having someone from outside of your family group or your friendship group come onto your board or your committee, and it will assist your accountability with fresh eyes and also the perception to the public is that you are being accountable and transparent.

**Beth:**

And I suppose that’s the thing as well. Even if you’re doing everything correctly and by the book, if that’s not the perception the general public has it can really impact your organisation, your reputation and your ability to actually achieve what you’re trying to achieve.

**Matt:**

Yeah, so it comes back to that point again about record keeping and processes. So even if it does appear to be, from the outside, it appears that there are some conflicts of interest or not enough accountability there, if you’ve got the clear processes, procedures and records to demonstrate that, notwithstanding that having more people on the board is a good thing, but at least that is an important step in demonstrating that you are accountable.

**Julia:**

Absolutely.

**Beth:**

You can answer those questions if they’re raised.

**Matt:**

Let’s have a look at one more. This one, not cats, bigger animals, Horses Incorporated. Beth, do you want to take us through what happened with this case study?

**Beth:**

It was reported to the ACNC that the management committee were using their funds for gambling, which is pretty concerning. They weren’t providing, or responding to requests for information about horses that were apparently up for adoption. And the members were also suspicious about the use of funds, and the charity’s committee members refusing to provide information to explain how the money was actually being used.

**Matt:**

Some fairly serious allegations in this lot. Once we were able to have a look at it, what did we find, Julia?

**Julia:**

Well we found some fairly serious issues. We found that the charity’s funds were being used for restaurants, hotel rooms, home improvements. So they were clearly being not used for charitable purposes, and they were being spent as private funds.

**Beth:**

That’s not restaurants for the horses.

**Julia:**

No, that’s right. The committee members were paying themselves above market rates, and there was no accountability for the work they were doing. So no-one knew exactly what they were doing, or why they were paying themselves some funds.

**Matt:**

So if they needed to get something done, whatever it may be for the charity, rather than going out and looking for service providers who can do that work at a certain price, and figuring out which one works best for the charity at a good price, and using the charity money responsibly, they just decided that they would pay themselves a bit above what they could get externally, and still not have any accountability for the work that they did.

**Julia:**

That’s right, and really when you’re looking at making decisions in the best interests of the charity, no-one could say that that is a decision that’s made in the best interests of the charity.

They also used services of their family and friends, despite them being more expensive.

And there’s nothing wrong with using the services of people that you know, but you need to make sure that you’re getting best value for the charity’s money and be able to demonstrate it, so if anyone asks you the question, you can say, well actually we’ve got these three quotes here. This one came in as the cheapest. Just some way of demonstrating that you’ve acted with care and due diligence, and in the best interests of the charity.

**Matt:**

Again, so it’s not that there’s anything inherently wrong with this. We imagine that some organisations in country towns, or particularly rural areas, might often not have an option, because they know most of the people.

**Beth:**

There’s only one vet in the town.

**Julia:**

One vet, and they’re related.

**Matt:**

So it’s not that there’s inherently anything wrong with using the services of people that you know. Again, it’s all about the record keeping, the accountability and transparency, about the processes by which you came to use that person’s services.

**Julia:**

That’s right, that’s right. The last point here is that the charity refused to cooperate with the ACNC. So you can’t say you’re acting in the best interests of your charity, if you’re not cooperating with the regulator.

And we are tasked with maintaining trust and confidence in the charitable sector, and so we needed to act in the way that was appropriate for the concerns raised, that we verified by the investigation. And so that charity’s registration was revoked.

**Matt:**

Pretty serious outcome, which as we mentioned, will have had ramifications on their tax concessions and their financial standing.

**Beth:**

And reputation.

**Julia:**

That’s right, and their reputation.

**Matt:**

That’s probably one thing we can’t stress enough. How important a charity’s reputation is, but then again, how fragile it is at the same time.

And silly mistakes and silly behaviour in the public eye, especially on social media, can really hit your reputation hard, and it’s really difficult to recover from that, especially if you’ve taken years, sometimes even decades to build a really solid reputation and trust, to have it knocked down with some bad behaviour is really a bad position to be in.

**Beth:**

Hard to build easy to break.

**Matt:**

OK, having listened to all this, in light of all this, what can people in charities do?

So we’ve highlighted a bunch of common problems, and what often pops up. What are some practical things that people in charities can actually do to avoid this? Or mitigate against this sort of thing?

**Beth:**

Well firstly, as we’ve been saying, is keep good records. Be thorough, keep financial records, keep operational records, records of decisions.

If you’re doing the right thing, it’s not a problem, but if you have the records to prove it, then if any questions come up in future, you’re doing yourself a massive favour. So keep good records.

**Matt:**

And more records are better than not enough.

**Beth:**

Absolutely. Not a problem having too many records.

**Matt:**

That’s it, but you will get into trouble if you don’t have enough. How about the next one?

**Julia:**

The next one, follow your charity’s rules, outlined in your governing document. Ensure that you handle complaints appropriately, and that your charity is accountable to members, and you’ll probably find some guidance in relation to those things in your governing rules.

**Matt:**

Next one, Beth?

**Beth:**

Make sure the people who are responsible for running your organisation know and understand their responsibilities.

So if you’re a company, when a new director comes on board, make sure they’re aware of everything they need to be aware of. If you’re an incorporated association, when your treasurer is appointed, when your secretary is appointed, make sure they’re brought up to speed, and they’re aware of exactly what they need to know.

**Matt:**

It sounds simple, and it sounds like something that everyone would be doing. But surprisingly we hear lots of stories and anecdotes which suggest that people aren’t doing this as well as they could be.

**Beth:**

Yeah. So I suppose one of the points we touched on earlier is, a lot of people who start these organisations are really driven by the passion of it. I personally, I’m all about rescue parrots and that’s one of my passions.

But I wouldn’t know where to begin, necessarily, if I started being treasurer for an organisation. So the two don’t always go hand-in-hand. So this step is really important. Make sure the people who need to know how to run your organisation know what they need to know.

**Julia:**

So new members, you could perhaps give them an induction pack, run them through some training, do a handover with the old treasurer, try and set them up as best as you can, so that they can responsibly act in their position.

**Beth:**

And making sure, the point above as well, making sure everyone’s read the governing document. So members, new responsible persons, read the constitution.

**Matt:**

How about the next one, the fourth dot point there, Julia?

**Julia:**

We’ve talked a lot today about protecting your reputation and how valuable and important that is. So we’ll just remind you again about that, and also we’ve given you a tip sheet, I believe, in relation to using…

**Matt:**

We will do.

**Julia:**

Oh, we will do, I’m sorry, I’m jumping ahead. We will give you a tip sheet about using social media online and that might be able to help with some issues that can arise with using social media, which a lot of animal welfare charities do. That might be a good place to start.

**Beth:**

And it is such a good tool to reach out and find homes or volunteers.

**Julia:**

Absolutely.

**Beth:**

Not that organisations shouldn’t be using the tools that they have, just having some forethought and some processes and some procedures on how to do that is really crucial.

**Julia:**

And making sure it’s not used to air out your dirty laundry in public, so to speak…

**Beth:**

Yeah, that’s definitely an issue though.

**Julia:**

…and tarnish your reputation.

**Matt:**

And what about the next point?

**Beth:**

Keep your personal finances separate from the charity’s, and have really good financial controls in place.

So again, this is about record keeping. This is about accountability if questions come up. Having a bank account in your organisation’s name, making sure you’re keeping a track of where money’s been spent, and what it’s being spent on. And just to cover yourselves, in case questions arise later. Then you can go back to your records, and you can demonstrate exactly what’s happened.

**Julia:**

Really important.

**Matt:**

The second to last one, Julia.

**Julia:**

Ensure decisions are made in the best interests of the charity. So think about the charity whenever you make a decision. Have rules for how you make decisions.

And record your decisions, and how you made them. So you can evidence that you thought about the impact on the charity, and how it would benefit from the decisions you were making.

**Matt:**

And lastly.

**Beth:**

Probably a bit of a reiteration, but have policies and procedures. Have a conflict of interest policy, to know how you’ll handle a conflict of interest when they arise, because conflicts of interest will happen. They’re not a bad thing, it’s how you manage them, and how you document them.

**Matt:**

That’s a really important point. They’re not necessarily a bad thing. It’s going bad, and we know lots of people…

**Julia:**

Absolutely, all the time.

**Matt:**

It’s just a matter of, as Beth said, having the processes in place to be able to deal with it, deal with it openly, transparently and record how it happened. Record what happened, and how the decision was made. And that way, a conflict of interest doesn’t need to be something that holds your charity back or gets your charity in trouble.

**Julia:**

That’s right.

**Beth:**

Have guidelines for social media. All of these things will help. Just cover yourself if issues arise in the future. So policies and procedures.

**Matt:**

OK. We’re just going to give you another poll.

Having heard all of this, the next poll is going to ask you, five choices here, what is the first thing you’re going to do, to make sure your charity is staying on track, having heard all of this information?

Got a few options. Find and read your charity’s Governing Document. Make sure you’ve got information for new staff and volunteers. Review your procedures for managing finances, we’ve spoken a fair bit about that today. Review how you use social media. Again, we can’t reiterate the importance of this. That is stuff that’s playing out in the public realm. So just bear that in mind. And finally, implement new policies and procedures. Now, this may be about anything. It may be, you don’t have a conflict of interest policy, so you realise we really need to get that. Or maybe you think your financial management procedure is a little weak, so you need to strengthen it.

So the last one there is sort of a catch all, which may be applied to your organisation, specifically. A few more seconds to answer that, and then we’ll close the poll and give you all a look at the results.

OK, let’s close the poll, and we’ll share the results with everyone. Let’s have a look. The most one is the last option, the catch all, which is reasonable enough, because you can apply that to your own organisation’s areas.

But interestingly the second one, make sure you’ve got information for new staff and volunteers, did quite highly.

**Beth:**

That’s a great idea. And then, what’s the third one there, Matt? Find and read your charity’s Governing Documents.

**Matt:**

I wonder how many people even know where their Governing Document is? That’s another question.

**Beth:**

And look, they’re not riveting, I’ll be honest, but definitely worthwhile knowing exactly what they say. Very important.

**Matt:**

OK, the last couple of bits to go over today. But of course, first we can’t move on until we have a look at the last set of cute little animals.

**Beth:**

So again, these are all rescue animals of the ACNC.

That’s little Raffy up top there in the left, Ruby with the big grin there in the middle. Molly, and down the bottom there on the left-hand side, that’s little Enzo. The wonder bird.

**Julia:**

Great name.

**Beth:**

Thank you.

**Matt:**

OK, any questions? This is your chance. I know you’ve been getting some answers as we go through from Alex and Amanda in the other room, via text, but if you’ve got any questions now that you’ve seen the formal presentation, that you want to send through, please do so.

We’re going to try and get through as many as we can. But as I said, there’s quite a few in the audience today. So we probably won’t be able to get to all of them. If we don’t get to yours, we will get back to you via email. Let’s see what we’ve got.

Just a second. One’s come through, we have touched on this a bit, but it’s worth asking, because a few people have asked it. What do you recommend for a succession plan, or a smooth transition between boards and committees. Beth, do you want to have a go at that one?

**Beth:**

Yes, so first and foremost, it comes back to reading your constitution, or rules, or articles of association.

So usually your Governing Document will have guidelines about electing new committee or board members, and when those people’s appointments will take effect. Often there’s a crossover period between the old committee members and the new committee members.

And that crossover period can be really useful in handover, like we’ve said. Having an induction pack. Having any meetings to make sure you don’t lose the knowledge of your really experienced people, when new people are coming in.

**Matt:**

It can be something as simple as a few checklists and that sort of thing. Something just to get them in the right frame of mind, and knowing the basic things that they must cover.

**Beth:**

And then something they can refer back to if it’s a physical thing, or a digital thing. They can refer back to it later in time, just to double check that they’re across everything.

**Matt:**

So it doesn’t need to be, we say something like induction pack, and it sound very fancy.

**Beth:**

It does, it’s not.

**Matt:**

It doesn’t need to be fancy, it can be, as you say, a digital thing or a physical thing. A bunch of notes or a checklist, a little handbook that helps the person through, but also have a chat with them, meet with them, take the time to run through things, rather than throwing them in the deep end.
And I know that most small charities don’t have much time, and taking the time out to do this sort of thing feels like it’s taking time away from the things you want to be doing, rescuing animals, but it can’t be overstated that this is really important.

**Julia:**

And it will save time in the future.

**Matt:**

Exactly.

**Beth:**

Having a handbook for your organisation is a great tool, if you can pull one together as well.

**Matt:**

Again, it doesn’t need to be fancy. Just a few things, the important things that people need to know.

**Beth:**

Your vision, that kind of thing.

**Matt:**

Another question has come through. It’s sort of related, a little bit different focus, but we’ll touch on it. Someone’s asked, they have many volunteers in their organisation, how can they maintain good practices with so many volunteers, especially given that most of their volunteers are part time, short term or really casual, once a month or something like that?

What do you recommend?

**Beth:**

Along the same vein is thrown back to having a little pack of information that you can sit down with new volunteers and hand out is really useful. Also, in most states and territories there is a peak body for volunteering.

So if you want to get in touch with your peak body for volunteering in your state and territory, they have a lot of great, already pre-prepared resources for volunteers, that covers things they need to know.

**Matt:**

Yeah, go to that, use it. And we’ll include some links to some of those organisations, the ones that we know of in the follow up email, following this webinar.

**Beth:**

And you know, with any new volunteer, or new responsible person, there’s also the opportunity to review things. Nothing like a pair of fresh eyes to go through and point out where perhaps you could make some improvements, rather than doing it the way that it’s always been done, which might not be the best way.

So take that opportunity as well.

**Julia:**

Fresh eyes.

**Matt:**

That’s it. OK, what else have we got? Just a quick one, someone’s asked about the obligations to the ACNC, what things, what stuff do they need to report to the ACNC?

And we did mention earlier on that there was an obligation to notify of changes. What do animal charities have to do? I might just throw an add-on to that question. Are the obligations of animal welfare charities any different to other registered charities with the ACNC? Who wants to have a go at that one?

**Julia:**

There’s no difference between animal welfare charities and any other form of charities. So today we’ve just been talking about what we commonly see with animal welfare charities, but there’s no difference…

**Matt:**

The obligations remain the same.

**Julia:**

…in the obligations.

**Matt:**

And what are the obligations?

**Julia:**

Look, the obligations are the duty to notify that we discussed earlier, about changes to name and address, and Responsible Persons, Governing Documents. You also need to report in your A.I.S., annually to us.

**Beth:**

And your information statement.

**Julia:**

That’s right, sorry, an acronym. And financial reports as well, depending on your size.

**Beth:**

So that’s depending on your revenue per year. So just to put that in, I suppose, context of why it’s important, not just for us, and us fulfilling our role as a regulator, about why you have to tell us this stuff.

Why it’s important for you as a registered charity is if you have outdated information, if you haven’t told us about your directors changing, or if you’re not submitting your annual information statement, that is freely available information to any member of the general public who cares to look it up on the charity register.

And if they’re deciding whether to donate their time or money between two registered charities, and they look them both up, and one has fulfilled its regulatory obligations to us, and the other one has not, I know which one I would be giving my time and money to.

**Matt:**

It’s a pretty simple choice in that situation.

**Beth:**

So if for no other reason, that’s the reason you should be doing it.

**Matt:**

And we know how much the public does look into animal welfare charities. As you said earlier, it’s an area that evokes lots of emotion, and people feel very passionately about the work of animal welfare charities.

So members of the public are inclined to look up each one and look up the details to see that they are doing the right thing. And as you say, Beth, if there’s one that seems to be doing things better than the other, it makes it a pretty easy choice where the money’s got to go.

Right, social media keeps popping up. We’ve got a question, someone says that their organisation has had some issues on social media. But they recognise that it’s the main means of communication with the public and their supporters, and even an important tool for fundraising. Do we have any tips for social media? Anything that they should or shouldn’t do? Any ideas?

**Julia:**

I think have a look at our social media tip sheet, that’s going to come out after this webinar.

**Matt:**

We’ll send that to you shortly.

**Julia:**

Have rules for resolving conflict. And who operates your social media accounts. What they can put on your social media accounts, and how you respond to issues that are raised by the public on your social media account. So if it’s all laid out, it’s easier to manage any potential conflict that might happen online.

**Matt:**

The question mentioned issues. We see that a fair bit, don’t we Beth, that issues are played out on social media. Is the reminder that this is public, is that one of the key points?

**Beth:**

Definitely. I think with anything that is open and freely available on the internet, there’s a little bit of an inclination with many people to speak their mind, and sometimes maybe not have the forethought about the impact that that’s going to have.

**Matt:**

And the long-term impact, because you can look things up and see posts and comments years later. They become almost effectively permanent, don’t they?

**Julia:**

People can screen shot them.

**Beth:**

Nothing goes away once it’s up. They can take them out of context, and it can really blow out of control very quickly.

So when Julia mentioned having a process in place and knowing who has access to your social media accounts, you might never be the one who’s likely to blow up on the internet, but perhaps in future you’ll have a committee member who’s just having a bad day, and says something flippantly, or is taken out of context. When something’s in writing, it can lose its tone.

Perhaps it was just a bad joke that fell flat, but again, when you’re dealing with the reputation of your charity, you can’t take that lightly.

**Matt:**

Yeah, it takes ages to build, and it takes a second to destroy. So guard it very carefully.

**Beth:**

So along with our tip sheet on managing social media, there is a really great resource, a guide, a social media guide, from Justice Connect.

And they’re a not for profit organisation who have a whole lot of resources for other not for profit organisations. So I do encourage you to check that out on their website, and we’ll send around a link.

**Matt:**

We’ll send around a link for that one. And just, there are some resources here on your screen. We may have to start wrapping things up, because we have ticked over to 1 o’clock already. That went really quickly, and running out of time.

So any of the questions that we didn’t get to today, we will, I promise, cover via email. But we will hang around online to chat and answer some of the questions coming through for five or ten minutes or so, as they do. But while I’ve still got you, the resources here on the website, sorry, on the screen, from our website, that may be useful for you, we will send in a follow up email too.

I’ll just point them out. Some interesting and useful guides from us. Governance for Good is all about how to govern a charity, conflicts of interest, managing conflicts of interest we spoke about before, and some templates for use in your meetings and your annual general meeting and that sort of thing.

Our Community is a social enterprise that has lots of information for not for profits. I recommend going there. Justice Connect, as Beth just mentioned. And even the Taxation Office.

We noticed that there are a few questions in people’s registrations that were asking about DGR. endorsement and tax concessions and what not. That is the realm of the ATO. And although some tax concessions require registration as a charity, the decision on the tax concession itself, and the conditions on that tax concession rest with the ATO.

So we recommend having a look at their section, specifically designed for not for profits. There’s a link there which we’ll include in the email. Finally, this is just some stuff to stay in touch with all our news and updates and webinars and things like this, if you want to. We’re on social media.

And if you want to ask any questions about your charity and any of the issues we raised today, give us a call on 13 22 62, we’re happy to help over the phone.

Or send us an email advice at [www.acnc.gov.au](http://www.acnc.gov.au/) and I know you’re all hungry, as am I, so we want to get some lunch. It’s the last slide, I promise. Sign up for future webinars at [www.acnc.gov.au/webinars](http://www.acnc.gov.au/webinars).

And if you have any questions, comments or feedback about the webinars or other education material, in particular, send an email to education@ACNCgov.au, which is separate from the stuff you want to know about your charity. The experts at the advice email address are probably the ones to answer those questions.

And we will wrap up now, but we do have a three-question survey at the end. You don’t have to take it. It takes maybe 10 seconds. Once you’ve closed down the webinar, if you want to fill in that survey, we greatly appreciate it, because it does shape how we go about future webinars.

Thank you very much. Thanks Beth, thanks Julia.

**Julia:**

Thanks Matt.

**Beth:**

Thanks Matt, thanks everyone.

**Matt:**

We hope you got a lot out of today’s webinar, and get in touch with us if you want some more information about anything we covered today, particularly in regards to your charity.

And thanks to Alex and Amanda, who have been answering all the questions frantically in the other room. We will hang on the line for five or 10 minutes to answer any of the questions that are still coming through, but for the meantime, this is the end of the presentation, and we hope you enjoyed it. Bye.

**Julia:**

Bye.

**Beth:**

Bye.