



20 December 2024

Details of an enforceable undertaking offered by Hillsong College Ltd (ABN 84 617 111 592) and accepted by the delegate of the ACNC Commissioner of the Australian Charities and Not-for-profits Commission

1. On 20 December 2024, the delegate of the ACNC Commissioner of the Australian Charities and Not-for-profits Commission accepted an enforceable undertaking offered by Hillsong College Ltd (ABN: 84 617 111 592) (**Hillsong College**) under section 90-10 of the *Australian Charities and Not-for-profits Commission Act 2012* (Cth) (**ACNC Act**) (the **Enforceable Undertaking**).
2. This document contains information about the Enforceable Undertaking that the Commissioner is required to include on the ACNC Charity Register maintained in accordance with section 40-5(1)(f)(iii) of the ACNC Act.

Enforceable undertakings generally

3. Enforceable undertakings are court-enforceable undertakings that are voluntarily offered by a registered charity and may be accepted by the ACNC Commissioner pursuant to s 90-10 of the ACNC Act.
4. An enforceable undertaking can specify an action or a series of actions that a registered charity has agreed to take, or refrain from taking, in order to comply with a provision that is enforceable – including provisions of the ACNC Act and the *Australian Charities and Not-for-profits Commission Regulations 2022* (Cth) (**ACNC Regulations**).
5. The ACNC Commissioner is also able to accept an enforceable undertaking from a registered charity in respect of a specified action directed towards ensuring that the registered charity does not, or it is more likely than not to, contravene a provision that is enforceable in the future.
6. A charity cannot withdraw or vary an enforceable undertaking without the consent of the ACNC Commissioner.

7. If the ACNC Commissioner considers that a charity has breached any of the terms of an enforceable undertaking, the Commissioner may apply to court to have the enforceable undertaking enforced. Failure to comply with an order of a court may be a criminal offence
8. Nothing in an enforceable undertaking limits the powers of the Commissioner to take further compliance and enforcement action against a charity under the ACNC Act.
9. An enforceable undertaking does not derogate from the rights and remedies available to any other person or entity in relation to the undertakings given.

The charity

10. Hillsong College has been registered as a charity with the ACNC since 31 January 2017, with the charity subtypes of advancing education and advancing religion.
11. Hillsong College provides vocational and higher education training courses in Christian leadership, practical ministry and biblical teaching. Hillsong College reports to the ACNC as a large charity.

A summary of why the matter arose

12. The ACNC is established under the ACNC Act as the national regulator of charities. The ACNC Commissioner is responsible for registering charities under section 30-20 of the ACNC Act.
13. To maintain entitlement to charity registration, charities must comply with their obligations under the ACNC Act and the ACNC Regulations. Charity registration is a prerequisite for other exemptions, benefits and tax concessions.
14. A registered charity's obligations include meeting record keeping and reporting requirements, and compliance with the ACNC Governance Standards and ACNC External Conduct Standards.
15. In accordance with the ACNC regulatory approach, the ACNC uses a range of tools and powers to encourage compliance with the ACNC Act and Regulations. The ACNC takes enforcement action when there is a significant risk to public trust and confidence in registered charities.
16. In 2022 and 2023, public allegations of a serious nature were made about the Hillsong Church charities. Hillsong College is one of several Hillsong Church charities registered with the ACNC. Hillsong College's sole member is The Trustee for Hillsong International. The board of Hillsong College is comprised of the same individuals as the board of The Trustee for Hillsong International.
17. In September 2022, the ACNC commenced an investigation into Hillsong College's compliance with the ACNC Act and ACNC Regulations.

18. In March 2023, the ACNC confirmed publicly that it was investigating concerns raised about Hillsong Church. Hillsong stated publicly that it was fully cooperating with regulatory authorities.

19. The ACNC investigation identified concerns relating to Hillsong College's compliance with the ACNC Act and Regulations:

- **Compliance with record keeping obligations (s 55-5(2) of the ACNC Act):** a charity's financial and operational record keeping obligations depend on its size and complexity.
- **Compliance with Governance Standard 5:** This standard requires charities to take reasonable steps to ensure that its Responsible People are subject to, understand, and carry out the duties set out in Governance Standard 5. These duties include:
 - to act with reasonable care and diligence (reg 45.25(2)(a) of the ACNC Regulations and s. 25-5(3)(b) of the ACNC Act)
 - to act honestly and fairly in the best interests of the charity and for its charitable purposes (reg 45.25(2)(b) of the ACNC Regulations and s. 25-5(3)(b) of the ACNC Act)
 - to disclose conflicts of interest (reg 45.25(2)(e) of the ACNC Regulations and s. 25-5(3)(b) of the ACNC Act), and
 - to ensure that the financial affairs of the charity are managed responsibly (reg 45.25(2)(f) of the ACNC Regulations and s. 25-5(3)(b) of the ACNC Act).
- **Compliance with External Conduct Standard 1 (Reg 50.20(3)(a) of the ACNC Regulations and s. 25-5(3)(b) of the ACNC Act):** This standard covers the way a charity manages its activities overseas, how it is required to control the finances and other resources it uses overseas and the requirement to comply with Australian laws.
- **Compliance with External Conduct Standard 2 (Reg 50.20(3)(b) of the ACNC Regulations and s. 25-5(3)(b) of the ACNC Act):** This standard covers the requirements for a charity to obtain and keep sufficient records for its overseas activities on a country-by-country basis.
- **Compliance with reporting obligations (Subdivision 60-B and 60-C of the ACNC Act):** Charities must report annually to the ACNC, with a charity's reporting obligations dependant on its size.

(ACNC Concerns)

Response by Hillsong College

20. Hillsong College offered an enforceable undertaking in response to the ACNC Concerns.
21. Hillsong College acknowledges:
- (a) the important role the ACNC has to investigate matters of public concern, and to assist charities to identify changes in their governance and operations to ensure they meet their obligations under the ACNC Act and Regulations
 - (b) the ACNC has identified and communicated the ACNC Concerns to the charity and that it is open for the ACNC to hold the ACNC Concerns;
 - (c) that in relation to the ACNC Concerns, the Commissioner has the power to accept terms 17 to 41 (inclusive) under s 90-10(1) and (2) of the ACNC Act;
 - (d) terms 17 to 41 relate to an enforceable provision as defined in s 90-5 and 90-10 of the ACNC Act, and
 - (e) that complying with the Enforceable Undertaking will assist the Charity to comply with the ACNC Act and Regulations.
22. In August 2024, Hillsong College provided the ACNC with a Governance Action Plan that it adopted. The Governance Action Plan set out a list of positive steps that Hillsong College will take.
23. Many of those actions are now formalised in the Enforceable Undertaking.
24. The ACNC acknowledges the specific steps Hillsong College has taken to date:
- (a) changes to the composition of the Board;
 - (b) undertaking separate Board meetings for the Charity, to those of its member and other related parties, and
 - (c) conducting reviews of its Operational Policies and Record Keeping Policies.

Details of the terms of the Enforceable Undertaking

25. The Enforceable Undertaking is for an 18-month period.
26. During this 18-month period, the Enforceable Undertaking requires Hillsong College to take the actions specified in **Addendum 1**.
27. After the expiry of the Enforceable Undertaking, Hillsong College has acknowledged that it will remain committed to continuing to operate in a manner consistent with the terms of the enforceable undertaking.

Addendum 1

Pursuant to section 90-10 of the ACNC Act, Hillsong College Ltd (ABN 84 617 111 592) (the **Charity**) undertakes to take the following specified actions.

Record-keeping

17. The Charity will ensure that minutes of any board or committee meeting include the following items:
 - (a) the name of the committee or Board;
 - (b) time, location, and date of the meeting,
 - (c) attendance (including position and role) and apologies;
 - (d) whether quorum has been met;
 - (e) conflict of interest declarations;
 - (f) review and / or acceptance of previous minutes;
 - (g) action items;
 - (h) each agenda item and general business item including:
 - (i) what was discussed and decided in enough detail to understand key discussion points that influenced decisions; and
 - (ii) recording reasons for transferring funds, assets or other resources to another entity, including related parties;
 - (i) details of the next meeting; and
 - (j) signature and date.
18. The Charity will keep minutes of in-camera meetings that record the same information as at 17.
19. The meetings of the Charity's Board in which decisions are made will be held independently of meetings of related parties.
20. The Charity will include as a standing agenda item for any board or committee meeting:
 - (a) the declaration of conflicts of interest; and
 - (b) the updating of the conflicts of interest register.
21. The Charity will ensure that it keeps written details of all KMP of the Charity that are employed or engaged by a related party, including:
 - (a) the name of the entity the KMP is employed or engaged by;

- (b) a description of their role in relation to the Charity;
- (c) their key performance criteria and duties for the Charity; and
- (d) who the KMP reports to and who has oversight of their performance.

Governance Standard 5

22. The Board, KMP, and any committee of the Charity will expressly discuss the following matters when discussing, recommending, or passing a resolution:
- (a) the best interests and charitable purpose of Hillsong College, and
 - (b) Hillsong College's circumstances, including its operational context and financial position.
23. The Charity will ensure that there is a clear written procedure to manage conflicts of interest (in addition to declarations) where the conflict is shared by all persons of the Board and the Charity's member's board.
24. The Charity will only use corporate cards in the name of the Charity.
25. The Charity will, six months from the date this Enforceable Undertaking commences, provide the ACNC with updated shared service agreements for all arrangements it has with any related party that ensures that the shared service agreements are in writing, and subject to a pattern of review documented by the Charity in writing, with consideration of the following:
- (a) the performance of the service received by the Charity;
 - (b) the value of the service received by the Charity; and
 - (c) whether the shared services are in the best interests of the Charity.
26. The Charity will, within six months from the date this Enforceable Undertaking commences, ensure the following matters are recorded in writing:
- (a) loans to which the Charity is a party (if any), including details of the purpose of the loan, parties to the loan, the amount loaned, the date the loan commences, key terms and conditions of the loan, how conflicts of interests related to the agreement will be managed, and how the loan is in the best interests of the Charity and in furtherance of its purposes.
 - (b) whether the key terms and conditions of any loans which the Charity is a party to (if any) are on an arm's length basis (or on more favourable terms), including the rationale for that basis and the evidence relied on, or otherwise evidence of how the loan is in the best interest of the Charity and in furtherance of its purpose.
27. The Charity will from the date this Enforceable Undertaking commences, ensure the following matters are recorded in writing:

- (a) decisions of the Charity to forgive a loan (if any), including the amount forgiven, the reason for forgiving the loan, and how the decision to forgive the loan is in the best interests of the Charity and in furtherance of the purposes of the Charity; and
 - (b) decisions of the Charity to provide funds or resources (except for equipment under the value of \$1000) to a related party (whether by donation, reimbursement or otherwise), including the name of the entity receiving the funds or resources, the purpose of the transaction; and how providing those funds or resources is in the best interest of the Charity and is in furtherance of its purposes, except where the provision of the funds is otherwise addressed at 25 or 26.
28. The Charity will, within 21 days from the date this Enforceable Undertaking commences ensure that:
- (a) Significant Financial Transactions may only be approved after the Board has considered the transaction, including whether the Significant Financial Transaction is in the best interests of the Charity, is in furtherance of the Charity's purpose and otherwise meets the requirements of the ACNC Act and Regulations.
 - (b) specified financial delegation limits are in place (quantitative figures), and are in writing, for all expenditure of the Charity, including all persons of the Board and KMP. The Board will monitor expenditure to ensure that delegation limits are complied with.
 - (c) there is a requirement in writing that Charity expenditure incurred by any person of the Board and KMP will be subject to review by remaining members of the Board.
 - (d) any gifts and honoraria provided are subject to specified financial limits which will be monitored and subject to oversight by the Board.
29. The Charity will, from the date this Enforceable Undertaking commences:
- (a) disclose a conflict of interest to its member in the circumstances where all Responsible People share the same conflict of interest.
 - (b) include in its conflicts-of-interest register perceived or actual conflicts of interest arising from:
 - (i) directorships of other entities;
 - (ii) family members of Responsible People who are employees of related parties as perceived and / or actual conflicts of interest;
 - (iii) the name of parties involved in the conflict;
 - (iv) when the conflict was discovered or declared,;

- (v) how the conflict was reported (for example, at a meeting of the Responsible People, by notifying the company secretary etc); and
 - (vi) clear and detailed steps on how the conflict was and/or will be managed.
- (c) maintain an up-to-date register of related party transactions.

External Conduct Standards

30. Within six months from the date this Enforceable Undertaking commences, the Charity will ensure each Board member and KMP have:
- (a) read the ACNC's web guidance in relation to the External Conduct Standards, available at www.acnc.gov.au/ecs
 - (b) watched the ACNC's video guidance in relation to the External Conduct Standards, accessible via www.acnc.gov.au/ecs
 - (c) completed the ACNC's External Conduct standards quiz, available at www.acnc.gov.au/acnc-external-conduct-standards-quiz
31. The Charity will keep a written record of each Board member and KMP's completion of 30 (a)–(c).
32. The Charity will ensure that any new Board member and KMP undertakes the training at 30 (a)–(c).
33. From the date this Enforceable Undertaking commences, the Charity will take all reasonable steps to ensure the Charity complies with the External Conduct Standards, including:
- (a) conduct an assessment of any overseas activity and document those assessments, approvals and reasons for undertaking the activity in writing;
 - (b) monitor the use of funds and resources provided overseas, including seeking bi-annual reports from third parties or partners that must be reviewed by the Charity's Board; and
 - (c) keep records of all its activities outside of Australia, including the types of activities conducted outside of Australia on a country-by country basis, details of how its activities outside Australia enable it to pursue its purpose, details of all expenditure and transactions relating to its activities or use of funds outside Australia on a country-by-country basis; and the names of all third parties and related parties it works with outside Australia.
34. Within six months from the date this Enforceable Undertaking commences, and with respect to the ECS Policies Review, the Charity will provide the ACNC with a copy of the adviser's findings, advice and recommendations, including the outcome of the ECS Policies Review and the ECS Policy.

35. The Charity will keep records of any overseas expenditure and any decisions to operate overseas.

Financial Statements and Information Statements

36. The Charity will take all reasonable steps to ensure future compliance with section 60-10 of the ACNC Act; and include as a standing agenda item for any board or financial committee meeting, the status of its ACNC reporting obligations, including how it is ensuring timeliness of reporting to the ACNC and that sufficient staff are available to support it meet its reporting obligations on time.
37. On or before 28 March 2025, the Charity is to arrange and attend a meeting between the Charity, and the ACNC to discuss the progress of the Charity towards complying with its obligation to lodge its 2024 Financial Statement and Information Statement with the ACNC by 30 June 2025 including providing documents in relation to its progress in meeting its reporting obligations (including any correspondence with its auditor).
38. The Charity will, by 30 June 2025, give the ACNC an audited or reviewed Financial Statement for the 2024 financial year.
39. The Charity will, by 30 June 2025, give the ACNC an Information Statement for the 2024 financial year.
40. The Charity will, by 30 June 2026, give the ACNC an audited or reviewed Financial Statement for the 2025 financial year.
41. The Charity will, by 30 June 2026, give the ACNC an Information Statement for the 2025 financial year.

Reporting to the ACNC

42. The Charity's Board will, prior to the adoption of any Operational Policy, RK Policy, or ECS Policy during the term of the Enforceable Undertaking, ensure that the policy is:
 - (a) consistent with the terms of this Enforceable Undertaking; and
 - (b) meets the requirements of the ACNC Act and ACNC Regulations.
43. The Charity will document the decision and reasons why the adoption of any Operational Policy, RK Policy or ECS Policy meets the requirements of clause 42(a) and(b) of the Enforceable Undertaking.
44. The Charity will, within 14 days of resolving to adopt and implement any Operational Policy, RK Policy, or ECS Policy or making an amendment to any Operational Policy, RK Policy or ECS Policy after it has been adopted, during the term of the Enforceable Undertaking, provide the policy to the ACNC at compliance@acnc.gov.au along with the documented reasons why the policy has been adopted and/or amended.

45. The Charity will provide a written report to the ACNC on its compliance with the Enforceable Undertaking (**Enforceable Undertaking Progress Report**) at six, twelve, and eighteen months from the date this Enforceable Undertaking commences, which is to include:
- (a) the progress of the Charity in meeting the terms of this Enforceable Undertaking including all supporting evidence and documents that demonstrate that progress, in the format set out in **Appendix A**.
 - (b) copies of agendas, minutes and any document referred to in the minutes of each Board and committee meeting (including minutes of any in-camera sessions) held during the term of the Enforceable Undertaking.
 - (c) the steps the Charity has taken to implement an ECS Policy, RK Policy or Operational Policy in the preceding six-month period, or otherwise confirmation that no steps have been taken to implement a policy, in the format set out in **Appendix B**.
 - (d) the details of any conflicts of interest in the preceding six-month period that were shared by all Board members of the Charity and all board members of its member; and the steps taken to manage each of those conflicts.
 - (e) a copy of the written procedure to manage conflicts of interests where the conflict is shared by all persons of the Board and the Charity's member's board.

Definitions

In addition to terms defined elsewhere in the Enforceable Undertaking, the following definitions are used in the Enforceable Undertaking:

ACNC means The Australian Charities and Not-for-profits Commission.

ACNC Act means the *Australian Charities and Not-for-profits Commission Act 2012* (Cth).

ACNC Regulations means the *Australian Charities and Not-for-profits Commission Regulations 2022* (Cth).

Board means the Responsible People of Hillsong College Ltd (ABN 84 617 111 592).

Charity means Hillsong College Ltd (ABN 84 617 111 592).

Commissioner means the Commissioner of the ACNC.

ECS Policies Review means a review by an adviser with expertise in the not-for-profit sector engaged by the Charity to review whether the Charity's policies and procedures (**ECS Policy**) demonstrate compliance with those standards and, if not, provide findings, advice and recommendations for improvement.

Enforceable Undertaking means the use of the enforcement power set out at Division 90 of the ACNC Act as offered by the Charity and accepted by the Commissioner or their delegate.

Financial Statement has the meaning given by section 60-10 of the ACNC Act.

Information Statement has the meaning given by section 60-5 of the ACNC Act.

Information means any information (including documents) given to the ACNC by the Charity or on behalf of the Charity from Hillsong Church (whether the information was provided voluntarily or not) during the Investigation.

Investigation means the ACNC's investigation into the Charity, of which the Charity was notified on 7 September 2022.

KMP means Key Management Personnel as defined in Australian Accounting Standards AASB 124 (paragraph 9) and AASB 1060 (paragraph 193).

Operational Policies Review means a review by an adviser with expertise in the not-for-profit sector engaged by the Charity to review and provide findings, advice and recommendations to the Charity about one or more Operational Policies.

Operational Policies means:

- (a) Board Charter
- (b) Board Committee Charter
- (c) Board Delegations Policy;
- (d) Conflicts of Interest and Related Party Transactions Policy;
- (e) Corporate Card Policy;
- (f) Ministry Expenses Policy;
- (g) Gifts, Benefits and Honoraria Policy;

Record Keeping Policy Review means a review by an adviser with expertise in the not-for-profit sector engaged by the Charity to review and provide findings, advice and recommendations to the record keeping policy (**RK Policy**) and other policies or procedures of the Charity relevant to record keeping.

Responsible People has the meaning given by section 205-30 of the ACNC Act.

Significant Financial Transactions means a transaction that is over the value of \$250,000.