Charity Fundraising in the 21st Century Submission 7

From: Miranda Chow

To: <u>Committee, Charity Fundraising (SEN)</u>

Subject: Submission to the Senate Inquiry into Fundraising in the 21st Century

Date: Thursday, 26 July 2018 11:02:48 AM

Attachments: <u>image006.png</u>

Dear Senate Inquiry

Point 1. We welcome this inquiry into fundraising. Overwhelming, fundraising is a significant source of regulatory burden for our organisation.

This is what it means for us(The Lasallian Foundation is a very small not for profit (staff of 3) with Board members based in three different states):

The first five months of our year is spent preparing for all our audit and compliance requirements which include fundraising, ACNC, and ACFID. We sometimes have fundraising events/appeals in different states and nationally. Each state has a different set of requirements and different timing for their compliance submissions, for example annual reports, audited financial reports, Board member police checks, a separate specific form to be completed by the auditor, etc.

The ACNC and ACFID already have minimum benchmarks and annual compliance requirements and reporting. Fundraising is challenging enough without all the additional red tape created by seven different laws. The growth of online/digital fundraising which facilitate and support national appeals and fundraising, needs to be simplified, supported and reflected in national legislation to support fundraising today and into the future.

We should be spending our limited time and funding focused on our mission - raising funds to support the education of poor and vulnerable children.

Point 2: We agree with the solution put forward by Justice Connect and #fixfundraising partners to #fixfundraising. This solution will deliver **Stronger**, **Smarter**, **Simpler** laws to support us (charities), and fundraisers and donors.

Clarification and minor amendment to the Australian Consumer Law: Clarification and minor amendment to the Australian Consumer Law to ensure its application to fundraising activities is clear and broad

Repeal of fragmented State & Territory laws: Repeal state and territory laws, and State and Territory regulators instead focus on regulating conduct using the Australian Consumer Law or other general laws to take action for misconduct

Guidance (code) to improve conduct (regulators and self-regulatory): A short plain English, mandatory code of conduct for all fundraisers, supported by the work of self-regulatory bodies

This solution will deliver Stronger, Smarter, Simpler laws to support us (charities), and fundraisers and donors.

- Stronger: Using the Australian Consumer Law (supported by a conduct code) to put protection of all donors at the heart of all fundraising regulation across the nation (regardless of method used to fundraise)
- Smarter: Principles based regulation (backed by national process for reform) is more likely to capture innovation and changes to methods of fundraising, without territorial limitations
- Simpler: Creating a truly national system of regulation by removing duplicate and burdensome requirements for registration (licensing) and reporting, allowing for ethical conduct to be central to all fundraisers and fundraising activity

Point 3. The fundraising problem – and the need for a national and fit-for-purpose fundraising regulatory regime - has been well documented

• 2008: "The committee recommends that a National Fundraising Act be developed following a referral of powers from states and territories to the Commonwealth ... It should apply nationally ... it should clearly regulate contemporary fundraising activities

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- such as internet fundraising" Senate Standing Committee on Economics, Report of the Inquiry into the Definition of Charities and Related Organisations (December 2008)
- 2010: Fundraising legislation differs significantly between jurisdictions, adding to costs incurred by the NFP sector. Harmonisation of fundraising legislation through the adoption of a model act should be an early priority for governments. Australian Productivity Commission Contribution of the Not-for-profit Sector 2010 p xxiv
- 2016: "Overwhelmingly, fundraising is the source of the greatest amount of regulatory burden for charitable organisations ... the annual regulatory burden associated with fundraising regulations is estimated at approximately \$13.3 million per year across the sector" Deloitte Access Economics, ACNC: Cutting Red Tape: Options to align State, Territory and Commonwealth charity regulation, Final Report, 23 February 2016)
- 2016: Fundraising regulation has not kept pace with new forms of fundraising, particularly as online campaigns for funds have grown through the use of third party websites. The current arrangements treat fundraising as an activity isolated to one state or territory, when, in reality, even small organisations may attract interest nationally and internationally through online channels such as crowdsourcing website Deloitte Access Economics, ACNC: Cutting Red Tape: Options to align State, Territory and Commonwealth charity regulation, Final Report, 23 February 2016)
- 2018: Given that charitable fundraising is now a cross-border and international phenomenon, particularly through the internet, a single, unified Australian statutory regime would be of very significant benefit"- Report of the Inquiry under the *Charitable* Fundraising Act 1991 (NSW), Feb 2018

Point 4. What we need is for all Australian governments to **take action to fix the problem. They must make it a priority**. They must take action now. They must work together to provide us, other charities and other not-for-profits and the donating public with a national fundraising regulatory regime. The Federal Government can take a lead under the Australian Consumer Law. It is simply not good enough to do nothing. It's time to *#fixfundraising*.

Best regards

Miranda

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