

## Senate Economics Legislation Committee

### ANSWERS TO QUESTIONS ON NOTICE

#### Treasury Portfolio

Additional Estimates

2016 - 2017

**Division/Agency:** Australian Charities and Not-for-profits Commission (ACNC)

**Question No:** 136

**Topic:** Fundraising reform

**Reference:** Written

**Senator:** Ketter, Chris

#### Question:

1. Has the Government consulted the ACNC on reforming fundraising?
2. Has the ACNC been consulted as part of the Australian Consumer Law Review about using the ACL as the avenue to harmonise fundraising laws in Australia?
3. Has the ACNC approached the Government on fundraising reform? What was the Minister's response?
4. Have you been consulted in the review led by Treasury into Australian Consumer Law and its application to fundraising activity for charities and not for profits? If so, did you provide a view? What is your view?
5. The ACNC commissioned Deloitte Access Economics to produce the Cutting Red Tape: Options to align state, territory and Commonwealth charity regulation which was completed in February 2016. What did that report show as the cost to the sector of inefficient fundraising law?
6. Given your objective is to reduce red tape in the sector, and the cost of unnecessary regulation, what could be done to minimise this cost?
7. If the Australian Consumer Law review recommended clarification and expansion to better cover fundraising activities in the not-for-profits and charities field, how would you work with the ACCC to meet this recommendation?

#### Answer:

1. The Australian Government has not directly consulted with the ACNC on fundraising reform. However, the ACNC has engaged with the Fundraising Reform Working Group and Consumer Affairs Australia New Zealand (CAANZ) on the Australian Consumer Law (ACL) review.
2. The ACNC has been invited to participate in a stakeholder discussion led by CAANZ, as part of the ACL review.  
The ACNC made submissions to the ACL review initially, and during the interim report period.
3. The ACNC has not approached the Australian Government directly in regards to fundraising reform.
4. The ACNC has made two submissions to the ACL review. The ACNC view is that the ACL should be clarified as to its coverage of fundraising, and extended to provide general protections to charity donors. The ACNC's submissions to the ACL review can be found at:
  - [Issues paper](#)
  - [Interim report](#)

5. The Deloitte Access Economics report estimated the annual cost to charities of compliance with fundraising laws was \$15.08 million. Potential savings to the charity sector were estimated between \$5.04 million and \$10.81 million, depending on which approach to reform was applied (for example, exempting registered charities from reporting, aligning all jurisdictions, or a single national regulator). The full report can be found at [acnc.gov.au/redtapereduction](https://www.acnc.gov.au/redtapereduction).
6. The ACNC is working with state, territory and other Commonwealth regulators to cut red tape for charities across their financial and non-financial reporting, fundraising licensing, and taxation obligations.

Compliance costs for charities could be minimised by reforming fundraising through:

- Changes to annual reporting and licensing arrangements
  - Ensuring that grants applications (both Commonwealth and state and territory funders) apply Standard Business Reporting (SBR) and use existing data (via the Charity Passport)
  - Ensuring that grant acquittals (both commonwealth and state and territory funders) apply SBR and use existing financial data (via the Charity Passport)
  - Exempting incorporated associations and cooperatives that are registered charities from annual reporting to their state and territory regulators
  - Harmonising the obligations of incorporated associations, and Queensland cooperatives
  - Adopting a common definition of charity for taxation purposes at the state and territory level
  - Obtaining agreement with all Offices of State Revenue, allowing charities to make an application for state and territory tax concessions via the ACNC Registration form.
7. The ACNC would continue to work with the ACCC as necessary. The States and Territories are responsible for regulating charity fundraising.