



North Shore
Heart Research
Foundation

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Committee Secretary
Senate Economics Committee
Department of the Senate
PO Box 6100
Parliament House
Canberra ACT 2600

Submitted by email: economics.sen@aph.gov.au

North Shore Heart Research Foundation (NSHRF) welcomes the opportunity to provide comment to the Senate Standing Committee on Economics.

NSHRF was incorporated in 1986 and began fundraising activities in 1987. It has DGR status and operates as a separate legal entity distinct from the Royal North Shore Hospital (RNSH) and Northern Sydney Central Coast Health, providing financial support for research programs undertaken by the Departments of Cardiology and Cardiothoracic Surgery at the RNSH. NSHRF also provides financial support to the North Shore Cardiovascular Education Centre and fully funds two Chairs of Cardiology in association with the University of Sydney.

In 2007 NSHRF raised over \$3m primarily through fundraising activities and provided over \$1.6m to support cardiac research. The majority of these funds was generated via strong community support from almost 40,000 individuals, Trusts and Foundations and the corporate sector. Presently, we receive no government funding. However, through our ongoing community fundraising efforts we have projected forward research funding commitments to 2012 totalling in excess of \$5.4m.

NSHRF employs six full-time and three permanent part-time staff and utilises specialist consultants on a needs basis. Three full-time staff members are individual members of Fundraising Institute Australia and NSHRF is an Organisation Member of FIA. Earlier this year, I was elected by NSW Chapter members as a Director of FIA.

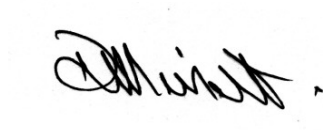
In 2003, 86% of adult Australians put their confidence in the nonprofit sector. Their confidence deserves government attention. Indeed, the nonprofit sector itself has been calling for reform. We welcome the Senate's interest and prioritisation of our work and urge you to act on the body of evidence put to this inquiry and not to allow it, like previous inquiries, to be ignored.

I am writing in support of Fundraising Institute Australia's submission, recommending a **commission of inquiry** be established to further develop the initiatives explored in this Senate Inquiry, in particular 'model' fundraising legislation, the shape of a national regulator and the elements of a compact to underpin the values and funding of this sector.

FIA is also proactive in working towards self regulation by creating mandatory Principles and Standards of Fundraising Practice. The Principles codify general ethical behaviour for fundraisers; the Standards are tailored to provide guidelines on specific disciplines of professional fundraising. The project was initiated in response to FIA's perception of an urgent need to establish standards for professional fundraising in order to improve public trust and confidence in accountability for and transparency in the use of publicly donated funds.

Please find attached a summary of FIA's recommendations to the Senate Inquiry into disclosure regimes for charities and nonprofit organisations.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'D. Minett', is written over a faint, light-colored rectangular stamp or watermark.

Derek Minett
Chief Executive Officer

Appendix 1: SUMMARY OF RECOMMENDATIONS

a) **the relevance and appropriateness of current disclosure regimes for charities and all other not-for-profit organisations**

A new single regulator for the entire nonprofit sector should:

- regulate proportional to risk and not in accordance with exemptions
- reduce multiple reporting requirements reducing the regulatory burden
- develop an appropriate accounting standards and reporting mechanisms that measures effectiveness (outcomes) not efficiency (ratios).

b) **models of regulation and legal forms that would improve governance and management of charities and not-for-profit organisations and cater for emerging social enterprises**

A new single regulator should:

- be based on principles similar to the Charity Commission (England and Wales)
- enable the work of the sector (light touch regulation proportional to risk)
- close the gap between statutory and non-statutory regulation (national industry self-regulation)

c) **Other measures that can be taken by government and the not-for-profit sector to assist the sector to improve governance, standards, accountability and transparency in its use of public and government funds.**

A new single regulator should:

- cut red tape
- allow for diversity (light touch regulation proportional to risk)
- support development of a national toolkit
- focus on effectiveness (outputs, public benefit) not efficiency (financial ratios)
- adopt a standardised disclosure regime
- encourage benchmarking
- assist nonprofit organisations in annual reporting
- provide meaningful information for the public
- promote the public interest in charity and nonprofit activities

d) **The Senate Inquiry has sought further comment on the recommendations from the inquiry into the definition of charities and related organisations (2001).**

- decide the name of the sector!
- promote responsibility for this sector to ministerial level

e) **The Senate Inquiry opens discussion on a number of initiatives that must be further explored.**

Establish a Commission of Inquiry to:

- develop 'model' fundraising legislation
- determine the 'shape' of a national regulator
- determine a national accounting standard and reporting mechanism
- review the elements of a compact to underpin partnerships with the sector.