



Aid for the Blind (Qld) Inc.

*Enhancing the lives of the blind and vision impaired  
through education and independent living*

21 March 2012

Charitable Fundraising Regulation Reform Discussion Paper  
Infrastructure, Competition and Consumer Division  
Treasury  
Langton Crescent  
PARKES ACT 2600

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### Consultation Questions

2.1 Is it necessary to have specific regulation that deals with charitable fundraising? Please outline your views.

Yes it is necessary to have specific regulation for the reason that donors should be able to know whether all donations go to the purpose, or part to administrative fees or operating costs.

We have recently seen tables showing what part of funds goes to the purpose and what goes to admin. This caused some concern amongst potential donors as they were either unaware or hadn't considered these applications. Provision of even a statement that parts of funds are applied to operating and to administrative costs would alleviate any later concerns.

2.2 Is there evidence about the financial or other impact of existing fundraising regulation on the costs faced by charities, particularly charities that operate in more than one State or Territory? Please provide examples.

NOT KNOWN

2.3 What evidence if any is available to demonstrate the impact of existing fundraising regulation on public confidence and participation by the community in fundraising activities?

NOT KNOWN

2.4 Should the activities mentioned above [page7, para 18] be exempted from fundraising regulation?

The first two of government grants and corporate donations should not be exempt as they fall within normal funds and operations; however workplace appeals are more likely to be a rare event with little formality. Church or religious donations are usually confined to a specific community or sector where most details are known.

2.5 Are there additional fundraising activities that should be exempt from fundraising regulation?

If so, please provide an explanation of why the relevant activities should be exempt.

I do not believe that there should be any exemptions for other organisations or indeed most organisations. The more exemptions are created, the more difficult it becomes to police the remainder.

2.6 Is the financial or other effect of existing fundraising regulation on smaller charities disproportionate?

Please provide quantitative evidence of this if it is readily available.

Much of the regulation relates to organising permits as and when needed. There is currently no requirement to deliver individual returns. The problem arises when Commonwealth and State have slightly different requirements so two sets of applications need to be prepared for one collection.

2.7 Should national fundraising regulation be limited to fundraising of large amounts?

If so, what is an appropriate threshold level and why?



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National fundraising regulation should not be limited to fundraising of large amounts. The regulation should be applied as a standard or not at all. To split based on "large amounts" does not make a national standard

2.8 Should existing State or Territory fundraising legislation continue to apply to smaller entities that engage in fund-raising activities that are below the proposed monetary threshold? [\$50,000]

There should be no proposed monetary threshold, nor should there be any major costs to being regulated.

2.9 Should a transition period apply to give charities that will be covered by a nationally consistent approach time to transition to a new national law? If so, for how long should the transition period apply?

The transition period depends on how clearly the national rules are laid out, explained and enforced.

2.10 What should be the role of the ACNC in relation to fundraising?

To be truly national the ACNC should register all charities and set any rules and permits for fundraising.

2.11 Should charities registered on the ACNC be automatically authorised for fundraising activities under the proposed national legislation?

Yes they should be automatically registered. This will not preclude them from requiring specific permits for various events or areas, so they cannot always simply proceed unchecked.

2.12 Are there any additional conditions that should be satisfied before a charity registered with the ACNC is also authorised for fundraising activities?

If the appropriate preconditions as a charity are fulfilled there need not be further regulation simply to be registered as a charity that may fundraise. However often particular events and places will exercise their power as private contractors to issue permits only on application, for fundraising in that event, or area.

2.13 What types of conduct should result in a charity being banned from fundraising? How long should any bans last?

Any convicted act of dishonesty or any failure to lodge returns after due warning should result in the charity being banned from fundraising. The ban needs to be variable duration as a technical breach of paperwork is minor whilst dishonest taking of funds by a Board member is deliberate. It also could be negligent process which allows that taking to go unnoticed

3.1 Should the aforementioned provisions of the ACL [page12, para36] apply to the fundraising activities of charities?

Yes they should apply to the fundraising activities of charities. These are essentially honesty and good faith provisions so should not require any specific or extra burden on the charity.

3.2 Should the fundraising activities of charities be regulated in relation to calling hours? If so, what calling hours should be permitted?

Calling hours both telephone and face-to face should be regulated to reasonable hours. The ACL s73 hours could be adopted but some flexibility is needed eg if Sunday is a designated charity day then it should be a collecting day also. A system is needed for charities to be able to request a variation and receive a prompt response.



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3.3 Should unsolicited selling provisions of the ACL be explicitly applied to charitable entities? Alternatively, should charitable entities be exempt from the unsolicited selling provisions of the ACL?

Unless there is a sale, these provisions should not apply to charities. Charities should be exempt. However if the Charity purports to sell something then the provisions would apply as consumer protection. Collection of money donated by people would not be caught under this part, although could be caught

4.1 Should all charities be required to state their ABN on all public documents? Are there any exceptions that should apply?

All charities should state their ABN on all public documents, without exception.

4.2 Should persons engaged in charitable fundraising activities be required to provide information about whether the collector is paid and the name of the charity?

No, this is a matter for the charity to disclose. The collector might have disabilities including mental limitations and not really be aware of the arrangements. Or not be able to properly understand and respond.

4.3 Should persons engaged in charitable fundraising activities be required to wear name badges and provide contact details for the relevant charity?

Yes there should be proper identification of the person and the charity they collect for. Most state Collections legislation already provides for this identification of the collector.

4.4 Should specific requirements apply to unattended collection points, advertisements or print materials? What should these requirements be?

Specific requirements should be the disclosure of the charity and ABN, contact details and DGR(or not).

4.5 Should a charity be required to disclose whether the charity is a Deductible Gift Recipient and whether the gift is tax deductible?

Yes the charity should disclose; in fact most would disclose so as to attract a larger deductible donation

4.6 Are there other information disclosure requirements that should apply at the time of giving? Please provide examples.

Points 3, 4, 5 above cover most matters. The only possible extra might be a website address.

4.7 Should charities be required to provide contact details of the ACNC and a link to the ACNC website, on their public documents?

No, that would not be the task of the charity; rather the ACNC should have a strong public profile by education. Then the ACNC should be known to the public and easily recognised and contactable

5.1 Should reporting requirements contain qualitative elements, such as a description of the beneficiaries and outcomes achieved?

This is an after step to the question below. Assuming the charity is required to provide details of fundraising then, as a charity, it is appropriate for the charity to report its income (broken down to show fundraising) and the allocation of those funds to a purpose of the charity.





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5.2 Should charities be required to report on the outcomes of any fundraising activities, including specific details relating to the amount of funds raised, any costs associated with raising those funds, and their remittance to the intended charity? Are there any exceptions that should apply?

Charities should be required to report on the outcome of fundraising to see what \$\$ are contributed by the Australian people which is currently the hidden funding not required to be paid by governments. Costs associated should be a discretionary matter as some organisations will pay people to collect and others use volunteers, or pay a gesture. Remittance to most charities is by their own people collecting by hand, or telephone calls. Accordingly the discretion is an exception per the question.

Some organisations will use telephone collections and pay commissions, and pay people for street or doorknocking. That will then require an accounting back to the charity and a portion going to fees. It should be a matter for the charity whether it reports its costs for the fundraising

5.3 Should any requirements be complemented with fundraising specific legislated accounting, record keeping, and auditing requirements?

There are currently accounting and audit and reporting requirements for charities. To build in a separate obligation for funds raised as opposed to earned or donated will be onerous on smaller charities. That is so where they don't have specific software or a team of admin staff. The actual purpose served needs to be considered before any further steps are introduced

5.4 What other fundraising specific record keeping or reporting requirements should apply to charities?

Normal bookkeeping would show the source of funds and any costs associated with "earning" it. It is unclear what additional details would be necessary. The only issue, as a later disclosure on records, would apply where the charity collects for a specific purpose. The charity should identify the amount collected for that purpose and the amount expended on that specific purpose (or if not, why not).

6.1 Should internet and electronic fundraising be prohibited unless conducted by a charity registered with the ACNC?

The internet and electronic fundraising should undergo all disclosure and checks as if being collected in person. If a charity must be registered to collect in person, then internet and electronic fundraising can only be undertaken by OR ON BEHALF OF a charity registered with the ACNC

6.2 Should charities conducting internet or electronic fundraising be required to state their ABN on all communications? Could this requirement be impractical in some circumstances?

Yes they should be required to state their ABN as a further identification check ( however a fraudulent collector might invent or copy an ABN ) It is unlikely many citizens will search the register to match the charity. It is unlikely that any impracticality arises beyond the person operating the scheme having a collectors ID which is visible to the public.

6.3 Are there any technology specific restrictions that should be placed on internet or electronic fundraising?

No there need not be technology specific restrictions, but the usual requirements (disclosure of registration with ACNC, ABN and name and location of the charity might need to be adapted; that is to be in the pages/forms pasted on the internet, or spoken by a tele-collector

7.1 Is regulation required for third party fundraising? If so what should regulation require?



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[7.1 cont'd] There need not be regulation of third party fundraisers by the ACNC. However ACNC might regulate the charity and require it to maintain a set standard of means of collection, reporting back of collection and application of funds towards any specific purpose if advertised as the reason for the fundraising.

7.2 It is appropriate to limit requirements on third party fundraising to those entities that earn a financial benefit  
See comment above in [7.1]

7.3 Should third party fundraisers be required to register with the ACNC for fundraising purposes only? If so, what are the implications of requiring the registration of third party fundraisers?

No, they need not register with ACNC. The ACNC is not a repository or regulator for other commercial entities. The ACNC might consider requiring the charity to disclose the use of third party fundraisers as part of that charity's affairs.

7.4 Should third party fundraisers be required to state the name and ABN of charities for which they are collecting?

Yes they should state ABN and the name; fundraisers should also disclose the contact details of the charity.

7.5 Should third party fundraisers be required to disclose that they are collecting donations on behalf of a charity and the fees that they are paid for their services?

The fundraisers must disclose that they are collecting funds on behalf of a charity and the details of the charity. The collection amount and costs amount is information the charity should report in its returns and any brochures

7.6 Should third party fundraisers (or charities) be required to inform potential donors that paid labour is being used for fundraising activities?

This serves no real purpose; if the charity has to disclose the collection cost then it would be reasonably common knowledge that various charities employ paid labour or even professional fundraising entities to collect.

If a person complains that they would not support the charity if they knew it paid people to collect, this information would need to be available in yearly reporting but not to have each collector on each collection day advise " I am being paid for this".

7.7 Is regulation required for private participators involved in charitable fundraising? If so, what should regulation require?

Merely a card identifying the person and the charity for which they are collecting. This is reasonably complied with currently by charities and their volunteer workers. Any greater effort dissuades volunteers and charities.

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