

5 April 2012

Manager  
Consumer Policy Unit  
Infrastructure Competition and Consumer Division  
The Treasury  
Langton Crescent  
PARKES ACT 2600

By email: [NFPReform@treasury.gov.au](mailto:NFPReform@treasury.gov.au)

Dear Sir/Madam,

**Submission to Discussion Paper and Draft Regulation Impact Statement  
Charitable Fundraising Regulation Reform**

The purpose of this letter is to respond to the discussion paper released in February 2012.

I enclose the submission from Australian Baptist Ministries and associated entities and look forward to participating in this discussion as it continues.

If I can be of any further assistance or any clarification is required please do not hesitate to contact me.

Yours faithfully  
Australian Baptist Ministries



Trevor Spicer  
National Treasurer



## **Charitable fundraising regulation reform**

**Submission responding to Discussion paper and draft regulation impact statement released 12<sup>th</sup> February 2012**

**Submitted on behalf of:**

**Australian Baptist Ministries**

**Global Interaction**

**Queensland Baptists**

**The Baptist Union of Victoria**

**Baptist Churches of Tasmania**

**Baptist Churches of South Australia**

**Baptist Churches of Western Australia**

**The Baptist Union of the Northern Territory**

**The Baptist Union of New South Wales and Australian Capital Territory**

**In excess of 950 Local Baptist churches throughout Australia**

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The Baptist Union of Australia Incorporated ABN 14 389 247 348

## **Charitable fundraising regulation reform – Discussion paper and draft regulation impact statement**

This submission is in response to the Discussion paper and draft regulation impact statement released by the Parliamentary Secretary to the Treasurer on 12<sup>th</sup> December 2011 titled “Charitable fundraising regulation reform”.

Australian Baptist Ministries, State Baptist Unions their associated agencies and organisations together with local Baptist churches welcome the opportunity to contribute to the discussion on this important issue by way of this submission. We look forward to the opportunity of continuing to interact with the Government as it further develops policies on these matters.

**Australian Baptist Ministries**, together with other Christian denominations, and leaders of other faiths, are deeply concerned that the continued increase in regulation (past and proposed) of faith based organisations will undermine, erode and lead to significant increases in costs and also, more importantly, to the diversion of resources away from the altruistic purposes which is a fundamental reason for the organisations to exist.

Australian Baptist Ministries supports the proposal for improved transparency and accountability within charitable fundraising however believe that there could be variations or exemptions from some regulations for faith based or religious organisations. This is not because transparency does not apply to this area of the sector, far from it, but rather because members of faith communities generally have knowledge about the recipients of the funds donated.

Australian Baptist Ministries agree that donors place significant faith in the governance and accountability mechanisms of recipient organisations to ensure that the donations are applied to the intended cause. Australian Baptist Ministries and our associated organisations are committed to being transparent and accountable for donations made to our organisations.

While Australian Baptist Ministries commend the Government in seeking to provide a centralised regulation of fundraising within Australia, we are concerned that if the State regulatory requirements are not removed with the introduction of centralised reforms, religious organisations will have to bear significant additional administrative burden and associated costs in order to comply with new reporting, review and audit requirements.

## Who we are

Australian Baptist Ministries is the trading name of The Baptist Union of Australia. The Baptist Union of Australia is a voluntary association of State Baptist Unions and is incorporated under the Australian Capital Territory Associations Incorporation Act 1991.

Australian Baptists are a multi-cultural and multi-generational movement of people serving communities in metropolitan, regional, coastal, rural and remote Australia through a network of approximately 1,000 churches with a regular combined regular attendance of around 150,000 people. At the 2006 census over 315,000 people listed their religious affiliation as Baptist.

Australian Baptist Ministries is a federated organisation, partnering with local churches through State Baptist Union entities.

While some local Baptist Churches are incorporated entities most operate as separate unincorporated entities. Many of our State Baptist Unions are incorporated by acts of state parliaments.

In many ways Australian Baptist Ministries would be seen by the community in general as the peak body of the Baptist movement in Australia.

While the Baptist ethos values the autonomy of the local congregation, there are many times, places and occasions where a national voice or opinion is sought from Christian denominations and other times and occasions where, in our view, a national statement on behalf of the Baptist movement in Australia can contribute significantly to the national debate or thinking.

## What we do

Together with the State Baptist Unions, Australian Baptist Ministries is committed to:

- supporting and equipping local churches,
- training and equipping individuals for professional and lay ministry,
- supporting overseas missions,
- assisting the disadvantaged within our own communities and overseas.

There are a number of ministries that operate under the auspices of Australian Baptist Ministries to provide these many and varied opportunities to serve the public amongst the many communities in which our congregations and agencies operate.

These ministries include:

- Approximately 1,000 local Baptist congregations of varying sizes,
- State Baptist Unions in all states and territories of Australia,
- Baptist Care Australia and State Baptist Care organisations in each state,
- Global Interaction,
- Baptist World Aid Australia,
- Crossover Australia,
- Remote Churches Ministry,
- Baptist Financial Services,
- Australian Baptist Insurance Services.

Local Baptist Churches and many of the above organisations commenced and continue to exist through the generosity and foresight of Australian Baptists. In many cases they have been contributing through the generosity of members to the social fabric of Australian communities and in an International setting for well over 100 years.

While some of the above organisations operate solely within the Baptist community of churches, many of them have a far-reaching impact on Australian communities and each of them contributes to the public benefit of Australians and Australia. For example Baptist Care Australia encompasses 2,700 packaged community aged care places , over 4,400 residential aged care places, family services, refugee services, employment services, youth services, low cost housing, chaplaincy, counselling, disability and mental health services and other diverse programs to meet community need.

The international ministries listed above (Global Interaction and Baptist World Aid Australia) provide humanitarian, development, medical and educational support services and capacity building amongst some of the world's most disadvantaged people.

## **General Comments on the Discussion paper and draft regulation impact statement**

The concerns of Australian Baptist Ministries to matters raised in the discussion paper and draft regulation impact statement relate to the following issues:

- That registration requirements related to fundraising with the Australian Charities and Not-for-profits Commission will be in addition to rather than instead of current state based requirements,
- That even though the discussion paper raises the issue of exemptions for religious organisations these will not come to fruition or that they will not include exemptions that are relevant to religious organisations,
- That the issues surrounding internet and electronic fundraising are somewhat vague in the discussion paper in their relationship to religious organisations. The use of websites as a facility to make donations rather than to promote fundraising does not appear to be covered in the discussion paper,
- Any deviation from the approach suggested in paragraph 28 of the discussion paper of “allowing all charities registered with the ACNC to also be authorised to engage in fundraising activities across Australia” would inevitably lead to increased registration effort amongst charities rather than reduced effort, which was one of the stated aims of the ACNC and the wider reforms within the not-for-profit sector.

## **Responses to selected Consultation Questions**

### **2.1 – Specific Regulation for charitable fundraising**

In our view there should be some specific fundraising regulation especially when the fundraising is directed to the general public at large rather than to, for instance the members of a religious organisation.

We believe that this specific regulation could and should be conducted through the ACNC. In our view this would seem the only logical option which would support the stated desire of the government’s reform agenda for the not-for-profit sector.

#### **2.4 – Exemptions from fundraising regulation**

In our view the activities mentioned in paragraphs 18 and 19 of the discussion paper should be exempted from fundraising regulation. Clearly our particular interest is that donations to religious organisations from their own members should be exempted. The definition of a ‘religious organisation’ needs to be clear in any reform of the regulations. In our view this definition should include entities that are affiliated with religious organisations. The affiliation should be required to be by referred to explicitly in the governing documentation of the religious organisation to be clear about the affiliation.

#### **2.5 – Other activities exempt**

In our view, all activities related to the ‘advancement of religion’ should be exempted from fundraising regulation. We believe this should include such organisations as churches, mission agencies, colleges for the training of clergy and, as noted in our response to 2.4, their affiliated entities.

#### **2.7 – Limit regulation to large amounts**

We believe that fundraising regulation that takes place outside of the ACNC should be limited to large amounts of one million dollars and above.

#### **2.11 – Charities registered with ACNC authorised**

In our view the approach identified in paragraph 28 of the discussion paper would be an imminently suitable approach to the regulation of fundraising. Registration with the ACNC has been stated as a ‘one-stop shop’ and in our view to separate out fundraising regulation from other registration would undermine that desire for the ACNC to be the one place charities need to go for registration, assistance and regulation.

#### **6.1 – Internet and electronic fundraising**

We believe that the issue of internet and electronic fundraising needs to be far more explicit. There is a vast difference between the use of email and websites to promote fundraising or to actively seek funds compared to a website that is used to facilitate donations in a passive way or simply as a means of receiving donations.

Also, again in terms of religious organisations, there is a big difference in seeking funds from members of a religious organisation for use within that organisation and widely seeking funds through the general community. Therefore we believe that where the dominant target of any internet or electronic fundraising within a religious organisation is the membership of the organisation rather than the public at large, the fundraising should be exempted from the regulations.

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