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Office of the Chief Executive  
Alex Malley FCPA

Charitable Fundraising Regulation Reform Discussion Paper  
Infrastructure, Competition and Consumer Division  
Treasury  
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Dear Sir/Madam

### **Discussion Paper: Charitable Fundraising Regulation Reform**

CPA Australia welcomes the opportunity to comment on the Discussion Paper: Charitable Fundraising Regulation Reform (the Discussion Paper). CPA Australia is one of the world's largest accounting bodies and represents the diverse interests of more than 139,000 members in finance, accounting and business in 114 countries throughout the world. Our vision is to make CPA Australia the global professional accountancy designation for strategic business leaders. We make this submission on behalf of our members and in the broader public interest. We have restricted our comments to the subject matter in chapter 5.

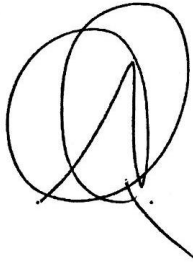
CPA Australia's involvement and interest in the charities and not-for-profit sector stems from our public interest remit and the significant role our membership plays in this sector. Our members provide valuable services (both paid and pro-bono) to the charities and not-for-profits sector both as public practitioners and through direct involvement in the governance and management of charitable and not-for-profit entities.

The reporting of fundraising activities should support trust and confidence in fundraising through transparency and accountability regarding the outcome of fundraising activities and the application of donated funds. We do not believe that the reporting of financial information alone will achieve such transparency and accountability, and consider that reporting requirements should also contain qualitative elements to such transparency and accountability. Such information will require a narrative description of the goals and objectives of the fundraising activity, the subsequent outcomes and how the subsequent outcomes compare to the originally stated goals and objectives.

We consider it appropriate for the reporting of fundraising activities to be part of annual financial reporting requirements. This approach will ensure reporting of all activities, including fundraising activities, within one document. We also envisage that these financial reports will be subject to independent review or audit, thereby providing an additional level of comfort to users. Legislation relating to maintenance of accounting records should require the accurate recording of financial position and financial and non-financial performance, and enable preparation of financial reports that are true and fair. These overall requirements should adequately address the specific record keeping and financial reporting for fundraising activities. Therefore we do not envisage the need for separate provisions within legislation in relation to fundraising activities. However, it will be necessary to develop reporting standards that include requirements for financial and narrative reporting in relation to fundraising activities. The Australian Accounting Standards Board is currently involved in a project on developing the reporting of service performance within the private not-for-profit sector. Given its expertise and experience in this area, it may be appropriate to seek assistance in drafting relevant standards for reporting of fundraising activities.

If you require further information on any of our views, please contact Dr Mark Shying, CPA Australia by email at [mark.shying@cpaaustralia.com.au](mailto:mark.shying@cpaaustralia.com.au).

Yours sincerely

A handwritten signature in black ink, consisting of several overlapping loops and a long tail stroke extending downwards and to the right.

Alex Malley FCPA  
Chief Executive Officer

cc: M Shying