



ea Engaging Australia in global mission

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5 April 2012

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The Treasury
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Submission re consultation on:

Discussion Paper – Charitable Fundraising Regulation Reform

Dear Sir/Madam

Missions Interlink welcomes the opportunity to respond to the Treasury's discussion paper on national reform of charitable fundraising regulation.

1. About Missions Interlink

Missions Interlink is a network of 167 Australian organisations that are involved in cross-cultural mission. It is not a mission agency, but rather the peak body representing cross-cultural mission organisations within Australia and exists to link, support and provide training to its members and associates. The size and income of Missions Interlink members varies greatly with 48 organisations at the lowest membership level (up to 2 personnel or donation income less than \$200,000), and 14 at the highest level (50 or more personnel or donation income above \$5,000,000). All are currently Tax Concession Charities and some are public benevolent institutions with DGR status.

Missions Interlink works with its members to facilitate good practice and compliance with all applicable regulatory requirements. It seeks to promote and maintain high standards of accountability and governance through its application processes, Standards Statement, compliance checks and education. Each constituent member must have a governing instrument and written policies that clearly define its organisational and accountability structures within Australia and demonstrate good accountability and governance principles.

2. General Comments

Missions Interlink supports the government in its commitment to reforming the NFP sector, especially the introduction of a new nationally consistent approach to fundraising if this results in reducing red tape while ensuring donors have more certainty about how the money they donate is being used. We are also pleased that the timeframe allowed sufficient time to consult with our members before preparing a response to the discussion paper.

Our main concern raised by the Discussion Paper is the breadth of the definition of fund-raising stated in paragraph 17 as “any activity that involves the soliciting **or** receipt of money (whether or not in return for a good or service) or other property, primarily for a charitable purpose”. Missions Interlink member organisations are largely supported by churches and those committed to supporting the ministry of particular individuals and organisations because of their beliefs, not because they are recipients of a request for funds. Missions Interlink does not believe that these gifts should be included as “fundraising” and consequently subjected to registration and regulation.

3. Impact of existing fundraising regulation on the costs faced by charities.

Many of Missions Interlink’s members are national organisations that are active across state and territory boundaries. Fundraising registrations and renewals in every state and territory where it is required is onerous and difficult, and consequently costs both time and money. In addition, the complexity of complying with various requirements makes it more difficult to operate and in some cases a separate audit report is required.

4. Scope of regulation

There is currently a lack of information and clarity regarding what is regarded as fundraising in each jurisdiction and consequently requires registration. National regulation will only serve to simplify current requirements if state and territory licensing is co-ordinated as part of the national scheme. As a nation peak body for cross-cultural missions seeking to give our members advice and guidance regarding their compliance obligations we have been unable to provide a summary of the various requirements because of their number and complexity. Instead we have been directing members to the relevant state or territory websites for information which is tedious for them and at times difficult to interpret. Other organisations, such as Pilch Connect, a legal service for community organisations in Victoria, do likewise and we have been unable to find a single source for information.

While we fully support simplified regulation of large-scale fundraising from the general public, we recommend the following exemptions:

- a) The raising of funds from within an organisation’s own constituency. Much of the money raised by Missions Interlink member organisations is given by their membership or supporter base by their own free will because they believe in and are committed to the cause they are supporting. Making members aware of the financial needs or projects of an organisation is an internal activity that is already be regulated and reported on in various ways.
- b) Smaller-scale fundraising. We support a fundraising threshold should apply for mandatory registration, but suggest this should be \$100,000 with a CPI index applied.
- c) Activities listed in paragraph 18 if they are not otherwise excluded, taking into account possible amendment to the religious exemption to include the criteria:
 1. *Donations to religious organisations which are religious institutions for the purposes of the Marriage Act (that is, churches and denominations) from their own **adherents**; and*
 2. *Donations to religious organisations which are prescribed institutions in accordance with Section 50-50(d) of the Income Tax Assessment Act.*

If the ACNC is to provide a 'one stop shop', it must be the provider of registration for fundraising, but only on application as it will not be relevant to all charities.

5. Regulation of fundraising conduct

Australian Consumer Law is the appropriate authority to provide for the enforcement of fundraising conduct in the same way that it regulates unsolicited selling. The role of fundraising legislation and regulation through the ACNC should be principles-based, providing guidance and accountability particularly regarding the use of donated funds.

6. Information disclosure requirements at the time of giving

All charities should state their ABN on all public documents and this is a requirement for all Missions Interlink members. DGR status should also be clearly stated on receipts as required by ATO. Those carrying out public fundraising should be identified by their name and the name of the organisation for which they are collecting.

7. Information disclosure requirements after the time of giving

There should not be mandatory reporting requirements relating to specific fundraising events. Existing reporting and auditing requirements and those proposed under the ACNC should provide sufficient transparency regarding the collection and use of funds without adding an additional burden to organisations.

8. Fundraising via the internet and other electronic means

Only those organisations that are registered with the ACNC should be allowed to raise funds from the public electronically. The ACNC should provide education and guidance about how to do this legally, responsibly and securely. As noted previously, all organisations should be identifiable in the public domain through their ABN.

9. Fundraising by third parties

Paid third party fund raisers should be required to be registered with the Fund-raising Institute of Australia or an equivalent body with standards of practice. They should not be required to register with the ACNC as they will be fundraising on behalf of organisations that are already registered. Disclosures about third party fundraisers and their remuneration should be available but not required to be on public display. Transparency regarding fundraising costs will be available through financial reporting on the ACNC website. Over-regulation should be avoided.

Please contact me if you have any questions about the matters raised.

Yours sincerely



Pam Thyer
National Director