

Coalition for fundraising reform



30 May 2023

Philanthropy Inquiry
Productivity Commission

Dear Commissioners,

The #FixFundraising coalition welcomes the opportunity to provide this short submission to the inquiry into philanthropic giving in Australia.

About the #FixFundraising coalition

The coalition for fundraising reform was formed in 2016 and is comprised of a powerful coalition of sector and peak professional bodies: Australian Council of Social Service (ACOSS), Australian Institute of Company Directors (AICD), Chartered Accountants Australia and New Zealand (CAANZ), Community Council for Australia (CCA), CPA Australia, Governance Institute of Australia, Justice Connect, Philanthropy Australia, and Public Fundraising Regulatory Association (PFRA).

Under the #FixFundraising banner and with [support](#) from hundreds of charities large and small, the coalition has advocated for a nationally consistent, contemporary and fit-for-purpose fundraising regime. For more information about the campaign see <https://justiceconnect.org.au/campaigns/fix-fundraising-timeline/>.

Why reform is necessary

Not-for-profit organisations make a vital contribution to Australian society, delivering crucial social services, strengthening civil society and improving social cohesion in our communities. In recent years not-for-profits have supported people in need through flood, fire, the COVID-19 pandemic and the intensifying cost of living crisis. This demand shows no signs of slowing.¹

Not-for-profit organisations face numerous regulatory barriers and compliance costs that do not apply to business. Fundraising regulation is one of greatest sources of regulatory burden for charitable organisations.

Currently, not-for-profits that fundraise nationally must deal with seven different sets of state-based laws. These laws are outdated and reflect a time when fundraising was predominantly in-person cash collection rather than modern, online, and borderless forms of fundraising which occur in the 21st century. The cost of this regulatory burden has been documented as being more than \$15 million annually for the charity sector alone.²

¹ See, for example, Cortis, N. and Blaxland, M. (2022) [Helping people in need during a cost-of-living crisis: findings from the Australian Community Sector Survey](#), Sydney: ACOSS.

² Deloitte Access Economics, ACNC: Cutting Red Tape: Options to align State, Territory and Commonwealth charity regulation, Final Report, 23 February 2016

Various Senate Committee reports and the Royal Commission into National Natural Disaster Arrangements have highlighted the problem. In its 2010 report, the Productivity Commission recommended:

To promote confidence in and reduce the compliance costs associated with fundraising regulation, Australian governments ... should agree to and implement mutual recognition and harmonised fundraising regulation across Australia, through the establishment of model fundraising legislation. (Recommendation 2.3)

What we've achieved

We have been asking for a simple, single national framework for fundraising for registered charities, so no matter where they fundraise, the rules are the same. The #FixFundraising campaign has achieved steady, incremental progress towards these goals:

1. **A single point for registration** – if a charity has registered with the Australian Charities and Not-for-profits Commission (**ACNC**), this should constitute deemed authority to fundraise.

This reform has been partially achieved: most states and territories have changed their laws so that registration with the ACNC provides a streamlined path to holding a fundraising licence.³

2. **Single reporting** – to the ACNC.

This reform has been achieved: the campaign has ensured that reporting to the ACNC now satisfies a charity's state-based fundraising reporting requirements.

3. **A single set of fundraising rules** to ensure ethical fundraising – all jurisdictions agreeing to one set of rules, to the exclusion of any other state specific rules.

This reform has been partially achieved: as a result of our advocacy, in February 2023 Commonwealth, state and territory governments [agreed to a set of nationally consistent fundraising principles](#) to support ethical charitable fundraising practice. This is the most significant step forward since the formation of our coalition.

What still must be done

State and territory governments will each release a plan to implement the National Fundraising Principles by July 2023. For this progress to be secured, and built upon, it is critical that the implementation of the National Fundraising Principles is done:

- no later than July 2024,
- in a manner that preserves consistency and harmonisation, and
- in an open, transparent and collaborative way with the charity sector and its stakeholders.

The key risk is that jurisdictions claim to have harmonised their rules, but in effect, up to seven different fundraising regimes remain in place, each requiring ongoing licencing and reporting. The ultimate test of reform should be that charities only need to register once, comply with a single set of rules no matter where they fundraise in Australia, and report once.

³ We are still advocating for Western Australia and Tasmania to do the same.

Our recommendation to the Productivity Commission

We recommend the Productivity Commission monitor existing promising reforms (notably the release of state implementation plans by July) and if needed, recommend to government such reforms as are necessary to achieve full implementation of a simple, single national framework for fundraising for charities with:

1. A single point for registration
2. Single reporting, and
3. A single set of fundraising rules.

The coalition stands ready to offer our expertise to ensure this can happen. We have already provided initial research into the quickest and easiest steps that can be taken in each jurisdiction to achieve national harmonisation and would be happy to share this research with you.

We hope that the momentum and collaboration that has brought the Commonwealth, state and territory governments to this historic agreement continues, so that by the time the Commission publishes its draft report in November, the implementation of the National Fundraising Principles is on track to deliver long awaited outcomes for Australian charities.

Signatories

Australian Council of Social Service (ACOSS)
Australian Institute of Company Directors (AICD)
Chartered Accountants Australia and New Zealand (CAANZ)
Community Council for Australia (CCA)
CPA Australia
Governance Institute of Australia
Justice Connect
Philanthropy Australia
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