

# Select Committee on Charity Fundraising in the 21st Century

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# Submission

Baptist Care Australia welcomes the opportunity to provide a submission to the *Senate Select Committee on Charity Fundraising in the 21st Century*.

The charitable sector in Australia provides support to some of the most disadvantaged people and communities. Charities operate at a local, regional, national and international level, and have an economic contribution of \$129 billion annually.<sup>1</sup>

Overwhelmingly, fundraising is the most significant source of regulatory burden for charities. With no unified statutory regime for fundraising, charities spend a significant amount of time and resourcing complying with varying legislative requirements depending on where they operate.

The current regulatory regime for fundraising is out of date and needs significant reform. Fundraising regulation has not kept pace with changes in technology and the ways that people are now able to donate philanthropic funds. As current fundraising regulatory frameworks are largely confined within state borders, the system does not adequately address or support the increasingly borderless context within which charities now operate. As the charitable and not-for-profit sector embraces new technology and practices, the regulation needs to keep pace.

Better regulation of fundraising would not only provide a significant benefit to charities, but federal regulation could also provide better protections for donors. With the increased focus on fundraising and the regulation of fundraising activities in recent years, there is an opportunity to build a system that will allow for a more transparent and robust fundraising system.

From the perspective of Baptist Care Australia, the primary issues impacting charities in fundraising are the significant duplication of regulatory requirements and the lack of a national approach. The current state-based fundraising regulation is challenging for charities to manage, particularly if they operate in more than one state or territory. Regulation currently treats fundraising as an isolated activity in one state or territory when in reality charities are frequently supported by donors interstate and even internationally through online channels.

The current complexity of the fundraising system has been a significant deterrent in Baptist Care Australia promoting our Deductible Gift Recipient (DGR) status as a means of generating donations. Baptist Care Australia has a head office based in one capital city, but member organisations and supporters in every other state and territory across the country. As we explored the regulatory impact of adding a donations page to our website it

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<sup>1</sup> ACNC – Economic contribution of the Australian Charity Sector

became clear that we would need to apply for a licence or authorisation under the various fundraising regimes in each of the federal jurisdictions. For a small not-for-profit organisation, the costs associated with this are excessive. Several of our members also operate within two or more states and spend a significant amount of time and money on meeting the different state and territory requirements. There is a general consensus that donor money should be spent on service provision rather than having to meet statutory obligations.

Baptist Care Australia believes that the easiest way to do this is to amend the existing Australian Consumer Law to apply to fundraising activities. We believe this solution will put the protection of donors at the heart of all fundraising regulation across the nation, regardless of the method used to fundraise. This would also provide clarity for charities regarding their obligations.

Baptist Care Australia supports the solution put forward by Justice Connect and #fixfundraising partners. We believe that this solution will deliver a stronger, smarter and simpler fundraising system to support organisations like us and our members, as well as fundraisers and donors.

### **Recommendations**

1. All levels of Australian government commit to harmonise fundraising regulation.
2. Clarification and minor amendment to the Australian Consumer Law to ensure its application to fundraising activities is clear and broad.
3. Repeal state and territory laws, and State and Territory regulators instead focus on regulating conduct using the Australian Consumer Law or other general laws to take action for misconduct.
4. Provide guidance to support fundraisers improve conduct, through development of a short plain English, mandatory code of conduct for all fundraisers, supported by the work of self-regulatory bodies. Principles-based regulation is more likely to capture innovation and changes to methods of fundraising without territorial limitations.
5. Recommend overall responsibility for fundraising issues at Commonwealth level is centralised under one senior minister.

# About us

Baptist Care Australia is the national representative body for Baptist community service organisations. We work to bring social justice to Australian communities, advocating nationally on issues important to our members.

Baptist Care Australia members serve people in aged care, affected by family violence, experiencing homelessness, on low incomes, experiencing relationship breakdown, living with a disability, and affected by multigenerational disadvantage. Services include crisis accommodation, social housing, out of home care for children, counselling, no and low interest low schemes, and other programs that help people rebuild their lives or live independently with the right support.

With a combined annual turnover of \$700 million, Baptist Care Australia members employ over 9,000 staff and engage with more than 2,500 volunteers annually.

Baptist Care Australia is a company limited by guarantee, a registered charity and a public benevolent institution with income tax deductible gift recipient status.