



Australian Bahá'í Community

Submission by the Australian Bahá'í Community on charitable fundraising regulation reform

The Australian Bahá'í Community welcomes the opportunity to provide comments on the discussion paper on charitable fundraising regulation reform.

We are supportive of the Government's purpose in developing a new nationally consistent approach to the regulation of charitable fundraising. We are aware that the current fundraising laws differ between the States and Territories, resulting in unnecessary confusion and complexity, particularly for organisations that operate across the jurisdictions. As the discussion paper observes, "different State and Territory fundraising legislation has been identified as a significant cost for the sector, particularly for charities operating at a national level, who have to comply with multiple legislative and administrative requirements".

Australian Bahá'í Community

The Australian Bahá'í Community was established in 1920. As members of the Bahá'í Faith—an independent worldwide religion, founded over 160 years ago, with more than five million members around the globe—we work to promote and apply principles derived from Bahá'í teachings which are aimed at contributing to the development of a united, peaceful, just and sustainable global civilisation.

Bahá'ís in Australia and worldwide engage in a number of neighbourhood-level processes that seek to empower individuals of all ages to recognise and develop their spiritual capacities, and to channel their collective energies towards the betterment of their communities. These processes, which are open to all and free of charge, include:

- children's classes that focus on laying the foundations of a noble and upright character
- junior youth spiritual empowerment program, which aims to help early adolescents form a strong moral identity and empowers them to contribute to community well-being
- participatory study circles that aim to provide youth and adults with the knowledge, spiritual insights and skills to become agents of change in their communities
- gatherings for prayer and meditation intended to strengthen the devotional character of the whole community.

The Australian Bahá'í Community does not engage in fundraising activity directed towards the general public. As a matter of principle, the processes described above, and other activities that support the growth, development and administration of our community, are supported by the voluntary contributions of members of the Bahá'í Faith, who consider it a privilege to

donate to the Bahá'í funds. Nevertheless we understand that such activity would still be considered fundraising according to the definition proposed by the discussion paper: “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”.

The following comments are restricted to consultation questions 2.4 (“Should the activities mentioned above be exempted from fundraising regulation?”) and 2.7 (“Should national fundraising regulation be limited to fundraising of large amounts? If so, what is an appropriate threshold level and why?”), which are most directly relevant to the situation of our Community.

Question 2.4

At the present time, donations to religious organisations from their members are largely exempt or excluded from fundraising regulation, but the approach taken is not consistent across jurisdictions. For example:

- In New South Wales, the *Charitable Fundraising Act* exempts organisations within a denomination in respect of which a proclamation is in force under the Marriage Act 1961. This includes many religious organisations including the Bahá'í Faith.
- In Queensland, the *Collections Act* exempts any appeal for support solely for the advancement of religion by or on behalf of any religious organisation; and any appeal for support for a charitable purpose by or on behalf of any religious denomination except in the case of door to door appeals and street collections, where a licence may be required.
- In South Australia, the *Collections Charitable Purposes Act* applies to collections in connection with a “charitable purpose” defined narrowly in a manner that does not include the advancement of religion.
- In Tasmania, the *Collections for Charities Act* exempts an appeal by an organisation to its members, and an appeal within premises that are used by a religious organisation.
- In Victoria, the *Fundraising Act* exempts fundraising appeals by a religious organisation unless a commercial fundraiser is retained to administer all or part of a fundraising appeal.
- In Western Australia, we have been advised that the definition of charitable purpose under the *Charitable Collections Act* does not include the advancement of religion.
- There is no corresponding law in place in the Northern Territory.

The Australian Bahá'í Community believes that donations to religious organisations from members of their religion should continue to be exempt from fundraising regulation under the new nationally consistent approach. As the discussion paper acknowledges, such activities are unlikely to raise significant concerns. The recipients are usually well known to at least a significant proportion of the donors, and therefore the issues of transparency and accountability that arise in the case of fundraising directed at the general public do not apply. It should also be noted that many religious organisations, such as our own, have internal systems which already provide transparency and accountability to members, and that the Government is already proposing to strengthen such systems through its proposed reforms to not-for-profit governance arrangements.

We further recommend that the wording of the regulation should stipulate that “donations to religious organisations *from members (or adherents) of their religion*” be exempt, rather than “donations to religious organisations from their own members. Such working would ensure that donations from those who belong to the organisation’s religion would be exempt, whether or not they are formal members of the organisation registered with the Australian Charities and Not-for-profits Commission.

Question 2.7

The Australian Bahá’í community supports the proposal, outlined in section 22 of the discussion paper, that annual fundraising of up to \$50,000 by a single entity should be exempt from the proposed national fundraising regulation.

As noted above, we believe that donations to religious organisations from members of their religion should not be subject to fundraising regulation at all. If, however, such fundraising were not exempted per se, an exemption should apply to those religious organisations raising less than \$50,000 per year.

As the discussion paper points out, such small-scale fundraising presents less risk to the community, particularly as the fundraising is largely undertaken by volunteers. Regulation of these activities could make them uneconomical.

In the case of our own community, the affairs of the Australian Bahá’í Community are managed by national and local governing bodies, the members of which are elected annually by the members of the Bahá’í Faith residing in Australia. At the local level, there are some 183 local governing bodies, known as Local Spiritual Assemblies, which are established in each local government area where nine or more adult Bahá’ís reside. These Local Assemblies are responsible for receiving donations from members of the Bahá’í community in their localities. Many of them are small in size and the funds they raise relatively modest. We believe that regulation of their fundraising activities would impose an unnecessary and disproportionate burden upon them, without achieving a significant public benefit.

Australian Bahá’í Community

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