

5 April 2012

Charitable Fundraising Regulation Reform Discussion Paper
Infrastructure, Competition and Consumer Division
Treasury
Langton Crescent
PARKES ACT 2600

Dear Sir/Madam

SUBMISSION: Charitable fundraising regulation reform

Campbell Page Limited (Campbell Page) is a not-for-profit organisation¹ committed to helping disadvantaged Australians combat poverty through employment, related community services and philanthropic activity. Last year we helped over 91,000 Australian's including some of the hardest to help and hardest to reach. We provide an increasing range of services each year including delivering government funded training, community, disability and employment services across 100 locations in Australia. We about help people stabilise their lives and pursue opportunities through community services, training and ultimately stable employment.

Improving corporate governance and administration to make it easier to deliver more services for people in need is wholeheartedly supported by Campbell Page. That's why we welcome and support strengthening and streamlining governance arrangements for the NFP sector.

At Campbell page our **purpose** is getting Australia working – we believe work is central to a healthy and resilient society. We work closely with the Australian government through, for example, Job Services Australia but our community work extends well beyond this.

In these challenging economic times Australia has areas of great prosperity as well as real social disadvantage. Our **mission** is that we believe work is central to a healthy resilient society. We are here to wage war on poverty, creating the conditions to achieve personal independence by enabling people to:

- Overcome personal challenges to work readiness
- Complete their education
- Gain workplace skills
- Find and keep a job.

Public policy outcomes which genuinely remove duplicative or burdensome arrangements and free up resources to help those most in need are supported by Campbell Page.

¹ CPL is an endorsed Public Benevolent Institution by the Australian Taxation Office and holds Deductible Gift Recipient status.

The establishment of the Australian Charities and Not-for-profits Commission (ACNC) and thorough consultation with the NFP sector is to be commended.

This submission outlines in broad constructive terms our feedback, support and where appropriate concerns with the detailed development of new streamlined charitable fundraising regulation for the NFP sector.

As Australia's largest secular NFP in our sector of expertise, we understand the need for robust governance. Over the last 25 years we have grown from a volunteer based community centre to a national NFP organisation with assets in excess of \$20million, annual revenues exceeding \$70 million, and more than 500 employees. This growth has required the highest standards of governance, accountability and transparency.

Campbell Page would welcome the opportunity to engage with the Treasury and Australian government through targeted confidential consultations on the envisaged regulations as outlined in the *Charitable; fundraising regulation reform: Discussion paper and draft regulation impact statement* (February 2012). We strongly believe public and community resources and funds require the most robust standard of care.

Getting the balance right in making NFP governance more robust as well as more streamlined is not without challenges. Campbell Page has had to grapple with many of these issues over the last 25 years.

We make the following submission in light of that experience, in support of the principles and intentions of the review, and in a sincere effort to avoid adding extra overlap or additional bureaucracy to a sector Australians rely on every day for assistance.

For further information please contact me on 0418 256 047.

Yours sincerely

Xavier Crimmins
CEO

Campbell Page Submission: Treasury review of Charitable; fundraising regulation reform

Campbell Page supports principle based governance arrangements which facilitate flexibility and proportionality for the NFP sector. We believe clear ‘one-source’ governance requirements in fundraising would assist reduction of multiple government requirements (including varying degrees of compliance particular to varying states).

Unfortunately the present governance arrangements for PBI/DGR are burdened with multiple layers of regulation. Legislation, individual grant provider governance and reporting requirements are not just duplicated but replicated numerous times over by state, territory and federal legislation and variance across a diverse range of agencies in different jurisdictions. The ‘one-stop’ fundraising initiative is very welcome.

That’s why the ACNC and a streamlined system are so important. Introducing a new ACNC framework must be accompanied by rationalisation and abolition of other levels of regulation and overlap. To introduce a new federal framework, even a best practice framework, in the absence of reform (particularly at the state level) would be counter to the principles of the NFP governance review and detrimental to the sector as a whole.

Chapter 2 – Defining the scope of regulated activities

Is regulation necessary?

2.1 *Is it necessary to have specific regulation that deals with charitable fundraising? Please outline your views.*

Yes, using a fit for purpose approach.

2.2 *Is there evidence about the financial or other impact of existing fundraising regulation on the costs faced by charities, particularly charities that operate in more than one State or Territory? Please provide examples.*

Yes, there is substantial compliance costs involved in monitoring and fulfilling the administration for multiple licenses as a national organisation.

2.3 *What evidence, if any, is available to demonstrate the impact of existing fundraising regulation on public confidence and participation by the community in fundraising activities?*

Activities that might be exempt from fundraising regulation

2.4 *Should the activities mentioned above be exempted from fundraising regulation?*

Each activity noted is considered separately as follows:

- We agree soliciting for government grants should be exempted. This is already governed by strict probity and disclosure requirements under multiple legislative and contractual instruments.
- We agree corporate donations should be exempted. The relationship between a direct sponsorship by a corporate and the charity already presupposes a level of trust in the charity by the corporate. Additional legislative guidelines would only increase administration.
- We agree workplace assistance to colleagues and their families should be exempted. We consider that donors in this situation would have the ability to request additional information or have the choice not to donate.
- We do not make a comment on the religious donations issue as we are a secular organisation.

2.5 *Are there additional fundraising activities that should be exempt from fundraising regulation?
If so, please provide an explanation of why the relevant activities should be exempt.*

Implementing a national approach to fundraising regulation

2.6 *Is the financial or other effect of existing fundraising regulation on smaller charities disproportionate? Please provide quantitative evidence of this if it is readily available.*

2.7 *Should national fundraising regulation be limited to fundraising of large amounts? If so, what is an appropriate threshold level and why?*

2.8 *Should existing State or Territory fundraising legislation continue to apply to smaller entities that engage in fundraising activities that are below the proposed monetary threshold?*

No. The 'one-stop' shop should be applied to all entities irrespective of size. This will enhance comparability within the industry.

2.9 *Should a transition period apply to give charities that will be covered by a nationally consistent approach time to transition to a new national law? If so, for how long should the transition period apply?*

Yes. A minimum of 12 months is considered appropriate for our organisation to transition systems and processes from the actual start date of any fully documented legislation /regulations/requirements under the new philanthropic regulatory system.

Registering for fundraising activities

2.10 What should be the role of the ACNC in relation to fundraising?

The ACNC framework must be accompanied by rationalisation and abolition of other levels of regulation and overlap in relation to fundraising. To introduce a new federal framework, even a best practice framework, in the absence of reform (particularly at the state level) would be counter to the principles of the NFP governance review and detrimental to the sector as a whole.

2.11 Should charities registered on the ACNC be automatically authorised for fundraising activities under the proposed national legislation?

Yes. Reviews of appropriateness of an organisation's fundraising should form part of the transition period.

2.12 Are there any additional conditions that should be satisfied before a charity registered with the ACNC is also authorised for fundraising activities?

No. The aim of the regulatory environment relating to charities is to reduce administration not to add further requirements.

2.13 What types of conduct should result in a charity being banned from fundraising? How long should any bans last?

Any activity that is illegal should result in appropriate disciplinary action. The ban should last as long as deemed required both from a legal perspective as well as the consideration of the public perception of such activity. The last point is to ensure the faith of the public in fundraising is maintained at a very high standard.

Chapter 3 – Regulating the conduct of fundraising

Application of consumer protection laws to charitable fundraising

3.1 Should the aforementioned provisions of the ACL apply to the fundraising activities of charities?

The application of these provisions should apply to fundraising in so far as they reduce administrative requirements. Any unsolicited fundraising should be discouraged.

Charitable fundraising and calling hours

3.2 Should the fundraising activities of charities be regulated in relation to calling hours? If so, what calling hours should be permitted?

Charitable fundraising and unsolicited selling provisions of the ACL

3.3 Should unsolicited selling provisions of the ACL be explicitly applied to charitable entities? Alternatively, should charitable entities be exempt from the unsolicited selling provisions of the ACL?

Chapter 4 – Information disclosure at the time of giving

4.1 Should all charities be required to state their ABN on all public documents? Are there any exceptions that should apply?

Yes. We believe it appropriate to supply this information as it assists the public in identifying our organisation.

4.2 Should persons engaged in charitable fundraising activities be required to provide information about whether the collector is paid and the name of the charity?

Yes. We believe it appropriate to supply this information as it assists the public in identifying where its money goes and enhances transparency.

4.3 Should persons engaged in charitable fundraising activities be required to wear name badges and provide contact details for the relevant charity?

Yes. We believe it appropriate to supply this information as it assists the public in identifying where its money goes and enhances transparency.

4.4 Should specific requirements apply to unattended collection points, advertisements or print materials? What should these requirements be?

Yes in so far as it would enhance the public in identifying where it's money goes. The requirements should as a minimum disclose the type of charity and it's taxation status (including tax deductibility of donations).

4.5 Should a charity be required to disclose whether the charity is a Deductible Gift Recipient and whether the gift is tax deductible?

Yes. The requirements should as a minimum disclose the type of charity and it's taxation status (including tax deductibility of donations).

4.6 Are there other information disclosure requirements that should apply at the time of giving? Please provide examples.

Yes only in so far as it would enhance the public in identifying where it's money goes. For example if a homeless fundraising activity is conducted it would be useful to appraise the donor of which specific locations or locations the money is being utilised for.

4.7 Should charities be required to provide contact details of the ACNC and a link to the ACNC website, on their public documents?

No. Education of the ACNC's activities and role should be the responsibility of that body.

Chapter 5 – Information disclosure after the time of giving

5.1 Should reporting requirements contain qualitative elements, such as a description of the beneficiaries and outcomes achieved?

No. Although beneficial and already disclosed in marketing material, this area cannot be effectively legislated as there are too many variables as to what constitutes an outcome. This point is clear when we consider two forms of 'outcome'. Contractually under our Disability Employment Services contract an outcome is where continuous employment for 13 weeks is achieved by a client, then a further outcome is achieved at the 26 week milestone. This is defined and measurable. However to ascertain what 'outcome' is achieved by providing association to a client at our Youth Refuge is one of subjective description.

We have over 50 community services contracts and multiple employment services contracts which can define 'outcomes' as some form of milestone on an individual basis or collectively the number of clients participating in a service. Documenting various types of 'outcomes' in the manner suggested, would cause significant additional administration.

5.2 Should charities be required to report on the outcomes of any fundraising activities, including specific details relating to the amount of funds raised, any costs associated with raising those funds, and their remittance to the intended charity? Are there any exceptions that should apply?

No. Given we have over 50 community services contracts and multiple employment services contracts which can define 'outcomes' as some form of milestone on an individual basis or collectively the number of clients participating in a service. Documenting various types of 'outcomes' in the manner suggested would cause significant additional administration.

5.3 Should any such requirements be complemented with fundraising-specific legislated accounting, record keeping, and auditing requirements?

No. The annual reporting proposed by the ACNC is extensive and already imposes multiple layers of reporting and standards of record keeping.

5.4 What other fundraising-specific record keeping or reporting requirements should apply to charities?

We do not believe further requirements are necessary.

Chapter 6 – Internet and electronic fundraising

6.1 Should internet and electronic fundraising be prohibited unless conducted by a charity registered with the ACNC?

Yes. This will ensure the appropriate level of governance and adherence to the appropriate regulations.

6.2 Should charities conducting internet or electronic fundraising be required to state their ABN on all communications? Could this requirement be impractical in some circumstances?

Yes. We believe it appropriate to supply this information as it assists the public in identifying our organisation.

We do not conceive of any instance where the disclosure of this information would be problematic for us.

6.3 Are there any technology-specific restrictions that should be placed on internet or electronic fundraising?

No. Any restrictions on internet or electronic fundraising could conceivably restrict or impede innovation in this very important area of fundraising. Noting however we do not consider unsolicited fundraising of any type appropriate.

Chapter 7 – Fundraising by third parties on behalf of charities

Private participators

Campbell page is still fully formulating our view on this aspect of charitable arrangements and all the variables that this may entail. We will be happy to provide input once we have formed a comprehensive view

7.1 Is regulation required for third party fundraising? If so, what should regulation require?

- 7.2 *It is appropriate to limit requirements on third party fundraising to those entities that earn a financial benefit?*
- 7.3 *Should third party fundraisers be required to register with the ACNC for fundraising purposes only? If so, what are the implications of requiring the registration of third party fundraisers?*
- 7.4 *Should third party fundraisers be required to state the name and ABN of charities for which they are collecting?*
- 7.5 *Should third party fundraisers be required to disclose that they are collecting donations on behalf of a charity and the fees that they are paid for their services?*
- 7.6 *Should third party fundraisers (or charities) be required to inform potential donors that paid labour is being used for fundraising activities?*
- 7.7 *Is regulation required for private participators involved in charitable fundraising? If so, what should regulation require?*