

19 March 2021

Thresholds Working Group
C/- Not-for-profit Unit
Individuals and Indirect Tax Division
The Treasury
Langton Crescent
PARKS ACT 2600

Dear Natasha,

Thank you for including FIA in the public consultation on the *Increasing financial reporting thresholds for ACNC – registered charities*.

Fundraising Institute Australia (FIA) is Australia's national peak body representing professional fundraising in Australia. It has over 1200 members who are charities, NFPs, suppliers of fundraising services and individual fundraising professionals.

Most major registered charities are FIA members, accounting for more than 80 per cent of the nearly \$10.5 billion donated by Australians each year. As the peak body for fundraising, FIA champion and facilitate best practice, with our Code for ethical fundraising and through professional development, networking and advocacy for all our members.

I am writing to provide additional comments, having now had an opportunity to consider the draft legislative instruments' impact.

The proposed new reporting thresholds for ACNC-registered charities will have clear benefits to charities as it will decrease professional service expenses for 182 FIA members. FIA believes the increased thresholds will provide a cost-saving to charities of roughly \$2,000 - \$3,000 in professional service expenses annually.

FIA agrees that charities will be able to redirect their resources to fulfilling their charitable purpose, including helping vulnerable beneficiaries. These reforms will support the sector amid a pandemic and an uncertain economic climate.

FIA is of the view that the Increase of reporting thresholds should be implemented by 1 July 2021. The implementation date provides an opportunity for Commonwealth and State Governments to legislate the Increase by the end of June 2021.

FIA believes there should be the same reporting thresholds for ACNC-registered and non-ACNC-registered entities. FIA members are concerned that if reporting thresholds are increased for only ACNC-registered incorporated association, this may raise consistency and equity issues across all incorporated associations. If states and territories were to have different reporting thresholds, this would add additional regulatory burden to charities and would have a considerable cost to FIA members.

FIA acknowledges the work state and territory governments are currently underway to establish a cross-border recognition model to harmonise charitable fundraising regulation. FIA hopes the cross-border recognition model can be fast-tracked to benefit FIA members and the broader sector by 1 August 2021.

The benefit of a reduced regulatory burden and cost resulting from reduced reporting thresholds will only be realised if all states continue to accept ACNC reporting and/or in the case of QLD and NSW agree, as part of the cross-border recognition model, to adopt the ACNC thresholds. Failure to align timing of the increased thresholds to the cross-border recognition proposal may delay the benefit of decreased regulatory burden faced by charities. FIA agrees that the proposed new ACNC reporting thresholds will reduce some regulatory burden and cost for its members. However, with competing high priority reform agendas being implemented by states, it is critical that the federal and state governments work together implement this proposed reform as well as the cross-border recognition model reform.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Katherine Raskob', written in a cursive style.

Katherine Raskob
Chief Executive
Fundraising Institute Australia