– adding to your ministry

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4 April 2012

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

Dear Sir/Madam

Re: Charitable Fundraising Regulation Reform
Submission on behalf of the Christian Churches of Western Australia

On behalf of the several Western Australian Christian denominations and independent Churches, who are signatories to this letter and attached submission (see attached letters of authority), Add-Ministry Inc. presents our united comments regarding the proposed Charitable Fundraising Reforms.

This submission is comprised of: -

- This letter;
- Letters of authority from Churches;
- Response to Discussion Paper questions.

Add-Ministry Inc. is an independent charity that provides an information and training resource for the Charitable Sector. Because it shares the concerns expressed in this document, it has been requested to co-ordinate this submission. Add-Ministry's involvement as an organisation is across the whole spectrum of the Charitable Sector, including a large number of independent churches and many charities that do not have a religious background.

In this submission we speak for:

- Apostolic Church Australia,
- Australian Christian Churches (formerly Assemblies of God in WA),
- Baptist Churches of Western Australia,
- Catholic Archdiocese of Perth,
- Churches of Christ in WA Inc.,

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- Church of the Foursquare Gospel,
- Churchlands Christian Fellowship Inc.
- Indonesian Family Church Inc.
- IPHC Ministries (Australia) Pty Ltd,
- Perth Christian Life Centre
- Riverview Church Inc.
- Uniting Church in Australia Synod of WA.
- Victory Life Centre and associated Churches, and
- Westminster Presbyterian Churches of WA.
- This submission has the support of the Anglican Diocese of Perth who however will also be a party to a submission by the Anglican Church at a national level.

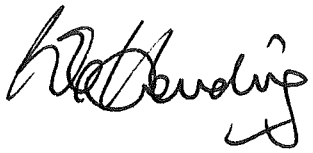
This submission is not only on behalf of the denominations that are signatories but also on behalf of their 826 member churches, representing in excess of 140,000 regular worshippers. All of these Christian communities are actively involved in charitable and philanthropic activities both within Australia and beyond its shores, motivated by their Christian religious values and commitment.

It is worth noting that the Christian Churches in Australia provide the highest volunteer input in the whole of society, extending into most areas of not-for-profit activity. The collective religious and community activities of the churches include the participation of a much wider group within the community through our youth, seniors and specific philanthropic activities.

Would you be good enough to confirm receipt by e-mail in due course?

Yours faithfully

Yours sincerely



N E HARDING

Chairman

Enc.

CHARITABLE FUND-RAISING REGULATION REFORM

Response to Questions by the Christian Communities of Western Australia

1.General comments:	1.The definition of a fund-raising activity in paragraph 17 of the Discussion Paper of "any activity that involved the soliciting or receipt of money (whether or not in return for a good or service) or other property, primarily for a charitable purpose" **is, in our view, far too broad and influences our response to this paper.** The words "any activity" or "receipt of money" could be deemed to include an involuntary activity – one that has not been promoted or sought in any way, such as a response from the heart for a particular need where no request for a donation has been made. It could include the voluntary offerings for a religiously motivated reason, or a donation motivated by the dire need of another person for which no aid has been sought directly or indirectly. To seek to licence such a voluntary activity, including activity between individuals not within an organization, seems to be directed at stifling the very spirit of giving this whole process is designed to encourage. It seems to be a direct attack on our democratic rights as individuals. We also consider that it would be quite impractical to monitor it. 2. A substantial emphasis in this Discussion Paper is on regulating detailed issues (micro-managing). Much of this emphasis is, in our view, aimed at over-regulating and ignores the fact that most charities have their own responsible internal controls and governance procedures. Why, we ask, is Government so intent on such regulatory control? There should be ample means of coming alongside the weaker organisations to encourage better practices when needed, without

	strangling the majority of the charities who apply responsible practices already. Voluntary compliance with good governance practices produces a much better quality of governance than that which is imposed from above by threat of penalty. The emphasis on such regulatory control is inconsistent with the National Compact and the Governments promise to reduce red tape and create simplicity for the Charity Sector.
2.1 Is it necessary to have specific regulation that deals with charitable fundraising? Please outline your views.	**2.1** Our answer covers several aspects of this question differently - Where there is soliciting for funds **beyond the constituency of the entity,** we concur. We agree that there are responsible grounds for regulating fund-raising where an approach is made by an organisation to the general public. It is desirable for public confidence and also the setting of reasonable standards. However where there has not been soliciting for funds and the donation is the result of a free will act of the donor without external persuasion we submit it is not needed. We further state that we do not agree with regulating fund-raising from amongst an organisation's own constituents. Such internal activity should be subject to the normal governance and reporting rules applicable to each individual organisation. They do not need external regulatory involvement because the constituents have a significant voice, will already be getting financial reports, will be aware clearly of the Objects of the organisation and will normally have a reasonable understanding of the methodology employed. This issue extends beyond the Charitable Sector to community organisations, sporting clubs and the other wider areas of not-for-profit activity.

	The WA Dept. of Commerce Charitable Collections Advisory Committee already controls fund-raising from the public by the issuing of licences. Their requirements necessitate an annual report and audited financial reports by the organisation. This is not needed if fund-raising is only from constituents of the organisation. (See further comment below in 2.2). There are also already other legal processes in place to address serious misuse of public money. We do not consider it is at all beneficial to add a double jeopardy obligation. Our concern with the extreme definition of "fundraising activities" as expressed in 1.1 is important in this response. The issue is of particular significance to religious institutions, where, as a part of the ethos of Christianity, the Christian community voluntarily offer their tithes and offerings as an act of worship. This is a commitment from the heart for which no specific appeal has been made and no suggestion has been presented to the people regarding the quantum of their gift. They are aware, or able to be aware, of the recording, reporting and application of the funds received. No further imposed controls are needed. In the rare instance where a misuse or abuse of funds occurs the church disciplinary structures are normally well able to handle the matter.
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.	**2.2** Our response is based on the laws of Western Australia. In WA, a Charity Licence is required for fund-raising under the Charitable Collections Act of 1946. One of the obligations under this Act is that any licenced charity is obligated to have their accounts audited and an audit presented to the Dept. of Commerce. The audit needs to be

	conducted by a qualified accountant. It is rare for such an acquittal by a qualified accountant to be available on an honorary basis today, owing to the risk involved with Auditing Standards now having the force of law, so there is a monetary cost to the organisation. With the Charitable Collections Act a licence is required for any fund-raising however small. It would be unusual for the costs of an audit from a professional accounting firm to be less than $3,000 annually. There are a significant number of licenced charities in this State with revenue under $50,000 annually, so the cost for those small entities and the related accountability requirements for a group of volunteers are in themselves significant. You need to note however that the charitable purposes definition in the WA Act is quite restricted and effectively excludes educational and religious institutions, and also environmental organisations. There are separate legislative arrangements for door knocking, street collections and raffles. Where a charity operates in more than one State, or where a charity has a website which has provision for donations through the website, there is, in our understanding, a legal obligation to have a Charity Licence in each State and Territory within Australia. This presents a significant onerous obligation to continue to be alert to changes in regulatory obligations in each licencing area and comply with the reporting and other compliance obligations required. Examples cannot be given due to confidentiality and privacy issues.

2.3What evidence, if any, is available to demonstrate the impact of existing fundraising regulation on public confidence and participation by the community in fundraising activities?	**2.3** We are unaware of any specific evidence that would demonstrate the impact on public confidence of existing regulations. Nevertheless we are of the view that the general public would expect there would be regulatory obligations in respect to public appeals (as distinct from an approach by an organisation to its constituents). The survey conducted by Dept. of Family & Children's Services on 'Giving in Australia' in October 2005 provides substantial research information, mainly of a statistical nature, which implies there is public confidence in the present system. There is also the Australian Centre for Philanthropy and Non-Profit Studies (CPNS) at Queensland University of Technology research on tax-deductible giving and we understand this research is carried out annually with the co-operation of Australian Taxation Office. Both the survey on 'Giving Australia' and the information available from CPNS reflect a continual increase in giving by the Australian public, which confirms the generosity of the Australian people. This is a trend which should be encouraged and wise regulation can only help in this area. Where a charity has Deductible Gift Recipient (DGR) endorsement from ATO it would appear the public derive a measure of confidence from that endorsement, as there is a presumption the endorsement provides credibility. In our experience, the presumption of credibility is well founded. The instances of abuse are very few, but are an additional reason why thoughtful regulation would benefit the whole community. On the rare occasions that a high-profile organisation has been guilty on a trust issue, their income promptly drops and other similar organisations also suffer in consequence. This is a significant inducement for charities to be alert. Where an appeal is conducted by a Church organisation, our

	experience is there is a wide degree of trust within the community that the donations given will be applied responsibly for the identified purpose.
2.4 Should the activities mentioned above be exempted from fundraising regulation?	**2.4** We support the exemptions suggested in paragraph 18 of the Discussion Paper. However, we make these further comments to give emphasis to the wording in the Discussion Paper: - **1.** An application for Government grants is not, in our view, soliciting. It is seeking to enter into a type of partnership with a Government funding body to carry out a charitable purpose consistent with the Objects of the two organisations. **This is a specific instance where your definition is, in our view, inappropriate.** 2. Corporate donations or donations from ancillary funds should be exempted, on the grounds that the entity providing the funds would be in a position to request adequate information to satisfy them that the donated funds would be applied for a responsible purpose. In many instances there would be a requirement for an acquittal in similar ways to the Government grant. 3. Workplace assistance for employees or their families would in almost every instance be appeals from the heart for a current crisis and would mainly be quite small activities. To impose regulation on such minor matters, invariably matters that need urgent attention, is singularly inappropriate. Examples would be Bush Fire Appeals, or a television broadcast of a family following a house fire. There would be some rare instances where an appeal would be made for a colleague in need which

	is promoted by the employer body. There may be some isolated instance in such a circumstance where some regulatory obligation may be defensible although we ourselves cannot conceive such a necessity. The issue also raises for us a concern about "who" is being regulated. Would it be the employer body, or the person who initiated the fundraising activity? We express our surprise at the example, as this is an instance of regulating outside the scope of the Not-For-Profit charter of the ACNC. It is also suggesting spreading the net far wider than current fund-raising regulation in Australia. It would, in our view, be an inappropriate attempt to stifle the very mateship for which Australia is so well known and should promptly be rejected as an inappropriate target. 4. Donations to a religious organisation from its own consitutents should clearly be excluded. As stated earlier, donations of this nature would primarily be in relation to the individual Church constituent's heart obligations to comply with Scripture in respect to the contribution of tithes and offerings. There may also be occasional instances for constituents to be asked to consider making a contribution to a particular area of need (such as emergency relief). Such an appeal would be subject to the normal governance controls of the individual Church and the congregation would be well placed to obtain information about the application of the funds. See also our comments at 2.1 above. In Victoria the approach with Associations is, we understand, to exclude churches totally unless there is a DGR fund involved, such as a Building Fund.

2.5 Are there additional fundraising activities that should be exempt from fundraising regulation?	**2.5** For reasons somewhat similar to those given in the previous question regarding religious organisations, we unequivocally state that any fund-raising activity organised by an entity from within its own constituency should not be subject to regulatory control, unless it was through the medium of a lottery where, at least in WA, there are other control obligations to comply with. An appeal for a donation by an organisation to its own people would be subject to its own governance and internal regulatory obligations and its people would again be well placed to obtain information regarding the wise application of the donations received. This is quite different to a situation where an appeal is being made to the general public for donations. The entity needs to be seen as capable of handling its own administration effectively. There are thousands of sporting clubs and other community organisations within Australia, most of whom are quite small and many are not incorporated entities. There are many other organisations, often involving parents with children where modest fund-raising for capital equipment is a regular feature. Reliance should be placed on the effectiveness of the individual organisation. The small organisations in particular do not need significant rules to regulate their financial accountability. It would kill these small organisations and remove the community spirit that is so important. Again, the few instances of inappropriate conduct should not condemn the overwhelming majority of the organisations to unnecessary regulations.

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.	**2.6** Yes, the existing fund-raising regulation in WA is disproportionate for small charities. This primarily relates to the cost of the audit, but also relates to compliance with the other aspects of regulatory obligations within WA. See also our comments at 2.1 & 2.2 above.
2.7 Should national fundraising regulation be limited to fundraising of large amounts? If so, what is an appropriate threshold level and why?	**2.7** Yes, but there is clearly no point in duplicating fund-raising legislation between National, State and Territory bodies. We are supportive of a national licence, **but only on the understanding that State & Territory licencing is co-ordinated as a part of the national scheme.** If the national fund-raising regulations stipulated a threshold as suggested in the Discussion Paper, but States retained regulatory control in respect to smaller amounts, the small charities would clearly stand out as being subject to victimisation. In WA there is no minimum level for reporting so all amounts received, however small, must be audited and reported once a Charitable Collections Licence has been issued. There is also the potential area of conflict where an organisation may occasionally move from one level of income to another. **The potential anomaly (which arises as fundraising income varies from year to year), of needing to be registered under State law in year one, under national law in year two and back to State law for year three defies any rational consideration.** . We support the concept of providing freedom for small entities. We have, we consider, illustrated reasons in respect to audit costs earlier in our response. We support the suggested threshold of $50,000, below which registration is not required, subject to: - • The threshold being indexed to Consumer Price Index, and

	• Charities with revenue below the threshold having the opportunity of choosing to register, as is the case in England and some other jurisdictions. • The other significant qualifications stated above.
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?	**2.8** No. We believe we have answered this question in our response to the earlier question at 2.7.
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?	**2.9** We suggest that compliance with a national licencing regime should begin from the commencement of the next financial year for the individual charity. Thus, if national licencing applies from 1 July 2013 and an entity's financial year finished on the following 31 December, then the compliance and reporting period would commence on 1 January 2014. However, if the financial year end is 30 June, the compliance and reporting period should commence 1 July 2014.
2.10 What should be the role of the ACNC in relation to fundraising?	**2.10** Given that the Government has given us assurance that the ACNC will provide a one-stop shop for reporting and related matters and have also promised simplicity and reduction in red tape, it makes complete sense for ACNC to be the body with whom you register for fund-raising. This will need to be on a basis that relates to the negotiations between the Commonwealth, State and Territory Governments, but we would anticipate that a co-operative working relationship will develop here for the benefit of all concerned. There is a substantial benefit in having a national fund-raising arrangement of a practical nature, but the State rights issue will quite likely mean complementary legislation will need to be introduced to bring this about with the States and Territories retaining some legal controls. We strongly assert that only one licence should be available, otherwise the administration in this

	area will continue to be very onerous.
2.11 Should charities registered on the ACNC be automatically authorised for fundraising activities under the proposed national legislation?	**2.11** No. Some charities do not fund-raise at all. Others will presumably be exempt, like religious institutions. Automatic authorisation would presumably impose upon them record-keeping obligations and reporting obligations that would not be needed. An appropriate authorisation procedure should include an additional step for a fundraising licence for those bodies that require it. It also seems inappropriate and unworkable to require automatic authorisation for charities when the complexity of State and Territory legal issues are also to be taken into consideration.
2.12 Are there any additional conditions that should be satisfied before a charity registered with the ACNC is also authorised for fundraising activities?	**2.12** Yes. Not all charities are seeking donations from the public. Therefore only a charity involved in fund-raising from the general public needs authorisation. Any activity within an organisation's body should be clearly excluded. **There is a need for a different and clearer definition of "fund-raising activity" to that given in the Discussion Paper. (See also comments under 1.1)**
2.13 What types of conduct should result in a charity being banned from fundraising? How long should any bans last?	**2.13 We do not support the concept of a ban.** Conduct that results in a charity being banned suggests illegal conduct or serious inappropriate activity over a lengthy period of time with no effort made by the committee of management to remedy the matter. The ACNC Draft Bill and other published statements infer that ACNC will come alongside to help and to educate. A strong commitment has been made by Government to there being no heavy-handed penal action. If there has been serious inappropriate activity over a significant period of time, notwithstanding efforts made by ACNC to enable the charity to remedy the matter, then initially a suspension would seem more appropriate than a ban. If however, there is illegal activity prompt

	intervention by ACNC would seem appropriate and could lead to ACNC taking temporary control of the charity, prior to prosecution action against relevant persons. Withdrawal of the fund-raising licence and the removal of charity endorsement are both very serious penalties for ACNC to apply and softer options need to be considered initially. The ACNC will have the power to intervene. **There are already Federal and State laws which deal with illegal activity and also with matters of serious misconduct.** This may emerge through the criminal code, through Australian Consumer Law, through Corporations Act or the relevant State Associations Incorporations Act. It would appear to us that there are ample legislative remedies already available through these means to make it unnecessary for additional initiatives to be undertaken through either fund-raising legislation or inclusion in the ACNC Act itself. Any serious punitive action undertaken by ACNC should remain in place until such time as the charity has satisfied ACNC that they have appropriate controls in place, and where appropriate, offending persons have also been removed from their role.
3.1 Should the aforementioned provisions of the ACL apply to the fundraising activities of charities?	**3.1 Yes.** In the event that Australian Consumer Law (ACL) does not automatically have an application to the fund-raising activities of charities, the law should be modified to ensure that it does. We would consider this would be an appropriate initiative under the ACL legislation, not the ACNC legislation. We do not see a benefit in the continued duplication of legislative obligations. See also 2.13

3.2 Should the fundraising activities of charities be regulated in relation to calling hours? If so, what calling hours should be permitted?	**3.2** We recommend that calling hours be restricted to 10 a.m. to 6.p.m (local time) Monday through to Saturday with a bar on calls on Sundays and Public Holidays. The WA Charitable Collections Act 1946 allows door to door collections between 9 a.m and 6 p.m. (not Sundays or Public Holidays) and telephone marketing, Mondays to Saturdays 9 a.m. to 8 p.m (not Sundays or Public Holidays) – for those Charities holding a Charitable Collections Licence. We would also recommend that our suggested bar also be placed on telephone soliciting. The survey "Giving Australia" referred to earlier identifies in Table 19, that telephone soliciting is intensely disliked by far the majority of Australians. It is our understanding that the dislike is intensified when the caller is obviously ringing from a call centre in another country particularly when the caller is hard to understand. Such contacts do not help any feeling of goodwill towards the charity, but simply cause substantial aggravation for the recipient of the 'phone call. By contrast the same Table indicates that a door knock appeal is, on the whole, reasonably well received. We would suggest that this gives the potential donor the opportunity of better ascertaining details about the charity through face-to-face contact and the receipt of appropriate literature.
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?	**3.3** Yes – we agree that the unsolicited selling provisions of ACL should be applied to charities **through ACL legislation**. We would also encourage it being extended to other not-for-profit entities. It seems inappropriate that charities should be singled out for controls and sporting and community bodies may be exempted (if that be the case).

4.1 Should all charities be required to state their ABN on all public documents? Are there any exceptions that should apply?	**4.1** Yes – charities should state their ABN on all public documents. We understand this is already an obligation. The necessity of this is to ensure appropriate identification of the entity can occur. For this reason we can see no grounds for there being exceptions.
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?	**4.2** Charitable fund-raising activities are carried out by different categories of people. Some are volunteers. Some are regular employees of the charity. Others are paid either on a piecework basis or as a percentage return on the funds raised. We suggest the question would be required to be expanded so that if a collector is asked such a question they should identify the methodology of remuneration. This information need only be supplied if requested. In all circumstances the name of the charity should be provided.
4.3 Should persons engaged in charitable fundraising activities be required to wear name badges and provide contact details for the relevant charity?	**4.3** Where the person engaged in charitable fund-raising activities has face-to-face contact with the public, we believe it is important that they wear an identifying badge. The badge should provide the name of the relevant charity and name of the fund-raising collector. The WA Charitable Collections Act 1946 states that collectors must wear consecutively numbered identification badges stating the name of the collecting organisation, the name of the collector and specifying the period of the authority to collect. They must show their numbered identification when collecting. They must issue a receipt for all donations received. All receipts must be consecutively numbered and bear the name and address of the organisation collected for. We consider these provisions are beneficial to all concerned.

4.4 Should specific requirements apply to unattended collection points, advertisements or print materials? What should these requirements be?	**4.4**We consider the present regulations in respect to misleading advertising already effectively cover this matter. If the charity wishes the collection point to be effective, its name needs to be clearly visible to enable the public to feel confident about the organisation. Other regulatory bodies, including local Government authorities appear to already have appropriate regulatory requirements in these circumstances. See also the WA Charitable Collections Act 1946 which covers these matters. With regard to advertising and other printed material, again we consider that misleading advertising obligations should already provide adequate cover.
4.5 Should a charity be required to disclose whether the charity is a Deductible Gift Recipient and whether the gift is tax deductible?	**4.5** Yes. Please note that the Income Tax Assessment Act already imposes obligations on an endorsed DGR entity regarding information to be disclosed on a valid DGR receipt. It is also an offence to imply that DGR endorsement applies with any other form of receipt that may be issued. We consider the matter is adequately covered by taxation legislation already. Effectiveness in fund-raising would depend upon the clear statement by the charity of the Objective of the fund-raising. This is a matter that should be left to the charity to determine.
4.6 Are there other information disclosure requirements that should apply at the time of giving? Please provide examples.	**4.6** No. The requirements outlined in Paragraph 51 of the Discussion Paper are also outlined in the Voluntary Code of Practice promoted by the WA Dep't of Commerce. We consider those proposals are reliable and do not need to be expanded on.

4.7 Should charities be required to provide contact details of the ACNC and a link to the ACNC website, on their public documents?	**4.7** No, but a link to the ACNC website should be encouraged if the charity is registered with ACNC. The provisions of the Charities Commission of England & Wales are useful but making it an obligation does not seem necessary. The ACNC website will provide relevant information on charities. The public will soon become aware of the existence of ACNC and its website and will know where and how to access such information. Also, a significant number of charities have their own website.
5.1 Should reporting requirements contain qualitative elements, such as a description of the beneficiaries and outcomes achieved?	**5.1** No. In our view there is no benefit to the public in adding to reporting obligations for each specific fund-raising event. This is particularly significant for organisations, which have multiple small fund-raising activities. See also our comment at 4.6. On renewal of the WA Charitable Collections Licence, the details of fund-raising activities during the previous year is required.
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?	**5.2** No. This suggests an inordinate amount of record keeping would be needed for no beneficial purpose. The diversity of methods of fund-raising makes such a proposal inappropriate. The recording required would be beyond the capability of small, and also some medium sized, charities to provide. See 5.1 above. If such a report is considered necessary (and we do not support that proposal) there should be a minimum level for a single activity, such as $50,000.

5.3 Should any such requirements be complemented with fundraising-specific legislated accounting, record keeping, and auditing requirements?	**5.3** No. There are already onerous Accounting and Auditing Standards applying to the Charity Sector without seeking to add to them. The whole inference in Chapter 5 is showing evidence of a significant lack of understanding of what happens with fund-raising in the Charity Sector. There seems to be an inappropriate objective of excessive red tape when reduction in red tape and simplification has been promised by Government.
5.4 What other fundraising-specific record keeping or reporting requirements should apply to charities?	**5.4** We believe this is a matter for the internal controls of the charity and does not need to be expanded on. See also 4.3 and 5.1 above. All charities licensed under the WA Charitable Collections Act 1946 are required to submit to the Charitable Collections Advisory Committee audited financial statements within six months of the end of their financial year. This is, in our view, a reasonable requirement.
6.1 Should Internet and electronic fundraising be prohibited unless conducted by a charity registered with the ACNC?	**6.1** Yes – we believe it would be beneficial to impose a ban on electronic fund-raising by charities and other not-for-profit entities that are not registered with ACNC. It would however be a difficult matter to monitor particularly when you consider that the Internet activity may be initiated by a source outside Australia. Our earlier comments about the exclusion of religious bodies should also apply here. Many of our constituents now utilise electronic medium for their tithes and offerings. In addition we are advised by those involved in the latest relevant technology for Church finances that facilities for Church attenders to financially support religious institutions will, in 2012 and beyond,

	include electronic means in a much more extensive way. This includes both web facilities and apps for hand-held devices. A facility currently under development for Churches across Australia would enable a Church congregation to make a donation either via handheld device or at a computer in the building. Both of these methodologies use access to the Internet specifically to facilitate financial support for the Church (e.g. general offerings or for a project appeal such as for disaster relief). At present the amounts collected for disaster relief appeals are normally initially collected by the Church and then passed to a relief agency (DGR). However it is likely that such facilities will also, in due course, be expanded to the place where donations can be made directly to a third party organisation by means of a "giving portal" as e.g. http://www.bfs.org.au/igive-churches.html . Similarly Churches in Australia are starting to implement online giving facilities through social media and other portals. A current overseas example of this can be found at http://www.facebook.com/pages/Trinity-Lutheran-Church-Moorhead-Minnesota/120955551307819?sk=app_4949752878 .
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?	**6.2** As stated in our response to Item 4.1, we consider the ABN needs to be quoted on websites, on electronically generated receipts and related material. If an entity is from outside Australia, the entity would not normally have an ABN. We suggest that, if possible, overseas not-for-profit entities should be registered with ACNC.

6.3 Are there any technology-specific restrictions that should be placed on Internet or electronic fundraising?	**6.3**We consider this, like many other matters, should be an educational feature only. Nevertheless it is important for reliable spam protection to be in place. Charities should also be encouraged to demonstrate that their site is a secure site through use of the HTTPS facility.
7.1 Is regulation required for third party fundraising? If so, what should regulation require?	**7.1** Yes, to a limited extent. We advocate they be required to register with ACNC and be required to also be members of the Fund-Raising Institute of Australia (FIA) or any equivalent body. The FIA has its own Code of Practice, the "Principles and Standards of Fund-Raising Practice". Where fund-raisers comply with those standards, the public, the charity and the fund-raisers themselves all benefit. The market place should effectively deal with those fund-raisers who do not follow those responsible guidelines.
7.2 It is appropriate to limit requirements on third party fundraising to those entities that earn a financial benefit?	**7.2** Yes. There will be many volunteers, and many private businesses that contribute in fundraising to the substantial benefit of the Charity Sector. It would, in our view, be inappropriate to hinder such very positive initiatives.
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?	**7.3** No. See response to 7.1 and 7.2.
7.4 Should third party fundraisers be required to state the name and ABN of charities for which they are collecting?	**7.4** Yes. We consider there would a most unusual situation where a member of the public donates to an organisation that is not appropriately identified.

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?	**7.5** No. We consider it would be wise for a charity to make this information public themselves. If they have a website this information should be made available through that facility. Where the fund-raiser is asked for this information, it seems common sense that this information should be provided – preferably in some printed format. Voluntary disclosure makes good sense. Imposing an obligation on the charity or the fund-raiser simply adds an unnecessary burden on the regulator and the entities being regulated – for no benefit to the public.
7.6 Should third party fundraisers (or charities) be required to inform potential donors that paid labour is being used for fundraising activities?	**7.6** Again we consider that this information should be provided only when asked. It should be up to the donor to initiate the enquiry. It would also be a difficult task to provide such information in a simple and clear manner.
7.7 Is regulation required for private participators involved in charitable fundraising? If so, what should regulation require?	**7.7** No. Our perception is that over-regulation is far more likely to stifle fund raising than allowing the private participator the flexibility to get on with its task. Charities will be conscious of their public image and will be very concerned to ensure that their activities do not bring them into discredit.

Noel Harding
Chairman Add-Ministry Inc.

4 April 2012