

18 September 2020

Charitable fundraising, Better Regulation Division
Department of Customer Service

By email: charitablereforms@customerservice.nsw.gov.au

Dear Sir or Madam,

Charitable fundraising in Australia

We welcome the opportunity to provide feedback to the Charitable Fundraising National Working Group (CFNWG) on the Charitable Fundraising in Australia - Proposed cross-border recognition model for charitable fundraisers discussion paper (discussion paper). The Appendix provides more information about Chartered Accountants Australia and New Zealand (CA ANZ).

We call for and strongly support a nationally consistent, fit-for-purpose regulatory regime that will help charities and not-for-profits fundraise effectively. With recent events in Australia (COVID-19, bushfires, flooding) the impact on some communities has been immeasurable. Charities, not-for-profit (NFP) and fundraising organisations have and will have an important role to play to support those affected individuals and communities as Australia recovers from these recent events. Implementation of a regulatory regime that supports this important sector needs to happen as soon as possible.

We welcome the streamlining of the registration process (ACNC registration) and information sharing with states as a mechanism to achieve a single national fundraising licence. We highlight the important role that charities, NFPs and fundraising organisations have within the community and reducing regulatory burden for these organisations will allow them to focus on contributing to Australia's recovery.

In 2016, we as a #fixfundraising partner, co-signed [Statement on fundraising reform](#), a call to Government to provide charities, not-for-profits and the donors who support them with a nationally consistent and fit for purpose regulatory regime. In this statement, proposed federal, state and territory reforms proposed:

1. pass amendments to the Australian Consumer Law to make it clear that it applies to charities' other not-for-profit organisations' fundraising activities
2. repeal the existing fragmented State and ACT fundraising laws, and
3. work with Australian Consumer Law regulators, the Australian Charities and Not-for-profits Commission (ACNC) and sector bodies to produce a core mandatory code to function under the Australian Consumer Law multi-regulatory framework.

We recommend the CFNWG considers the above call to Government as the proposed reforms may assist in achieving a single national fundraising licence.

Extension to current initiatives

The proposed model outlined in the discussion paper is a logical extension of the work that the ACNC has already been doing with key state regulators to reduce red tape for registered charities and have a 'report once to the ACNC' model with this information available for state regulators when required. The alignment and streamlining of frameworks will assist in reducing regulatory burden for charities and will allow them to focus on their objectives and important work.

Currently, the Australian Accounting Standards Board (AASB) and the ACNC are collaborating in the development of the proposals for the AASB's current financial reform project in the not for profit space which is due to open for public consultation later this year. The [Important changes to the Australian Financial Reporting Framework for Not-for-profits](#) factsheet outlines the latest decisions of the AASB on its reporting framework reform project for NFPs which may be of interest to the CFNWG.

Member concerns around relevant local regulatory requirements

Some of our members have indicated that they are supportive of this much needed change in the charity sector, however there are some concerns in relation to some ambiguity in requirements under the proposed model that indicate the potential for additional state-based requirements. Specifically relating to 'relevant local regulatory requirements' as it relates to notification requirements (Page 6 of discussion paper) as well as 'each jurisdiction would have the option of requiring registered charities to comply with local auditing requirements' (auditing requirements, page 7 of discussion paper).

In order for this model to be successful, our members believe that, all requirements should be consistent in each state in order to reduce complexity, uncertainty and unnecessary regulatory burdens and costs to charities.

Notification requirements

The licensing and notification process is a lengthy process that requires resources of charities to be used to carry out administrative duties. Many of our members have suggested that the notification process, at state level, should either be removed or that the be consistent in each state with the notification process (if it exists) online.

We encourage the CFNWG to consider ACNC registration as a way to automatically allow fundraising in each state of operation without the burden of additional notification or registration requirements.

Alternatively, as a part of the ACNC registration process, a simple tick box option could be included that would automatically notify the relevant local regulator that the charity intends to undertake a charitable fundraising appeal in that location.

Auditing requirements

We support the option of requiring registered charities to comply with reporting and auditing requirements under the ACNC Act as a means of satisfying the local requirements.

Information Sharing Agreements

We support information sharing agreements between participating jurisdictions for the purposes of establishing a shared register of deemed authority holders and for other purposes related to authorities issued in other jurisdictions. However, it is important the information is used and collected with the aim of achieving a single national fundraising licence.

Roadmap to a nationally consistent framework

We are concerned around the inconsistency and a lack of commitment, particularly at a state level, when working towards a nationally consistent regime. We encourage the development of a measurable and timebound roadmap, that outlines a nationally consistent approach, including details such as reporting, definitions and name badges. This would encourage confidence and provide certainty for individuals, groups and organisations within the charities sector.

Should you have any questions about the matters discussed above or wish to discuss them further, please contact Karen McWilliams via email at karen.mcwilliams@charteredaccountantsanz.com or phone (612) 8078 5451.

Yours sincerely

Simon Grant FCA
Group Executive
Advocacy & Professional Standing

Karen McWilliams FCA
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Advocacy & Professional Standing

Appendix

About Chartered Accountants Australia and New Zealand

Chartered Accountants Australia and New Zealand (CA ANZ) represents more than 125,000 financial professionals, supporting them to build value and make a difference to the businesses, organisations and communities in which they work and live.

Around the world, Chartered Accountants are known for their integrity, financial skills, adaptability and the rigour of their professional education and training.

CA ANZ promotes the Chartered Accountant (CA) designation and high ethical standards, delivers world-class services and life-long education to members and advocates for the public good. We protect the reputation of the designation by ensuring members continue to comply with a code of ethics, backed by a robust discipline process. We also monitor Chartered Accountants who offer services directly to the public.

Our flagship CA Program, the pathway to becoming a Chartered Accountant, combines rigorous education with practical experience. Ongoing professional development helps members shape business decisions and remain relevant in a changing world.

We actively engage with governments, regulators and standard-setters on behalf of members and the profession to advocate in the public interest. Our thought leadership promotes prosperity in Australia and New Zealand.

Our support of the profession extends to affiliations with international accounting organisations.

We are a member of the International Federation of Accountants and are connected globally through Chartered Accountants Worldwide and the Global Accounting Alliance. Chartered Accountants Worldwide brings together members of 13 chartered accounting institutes to create a community of more than 1.8 million Chartered Accountants and students in more than 190 countries. CA ANZ is a founding member of the Global Accounting Alliance which is made up of 10 leading accounting bodies that together promote quality services, share information and collaborate on important international issues.

We also have a strategic alliance with the Association of Chartered Certified Accountants. The alliance represents more than 870,000 current and next generation accounting professionals across 179 countries and is one of the largest accounting alliances in the world providing the full range of accounting qualifications.