

Submission to the Senate Select Committee on
Charity Fundraising in the 21st Century

6 August 2018

The Western Australian Council of Social Service Inc. (WACOSS) welcomes the opportunity to provide comment to the Senate Select Committee on Charity Fundraising in the 21st Century.

WACOSS is the peak body of community service organisations and individuals in Western Australia. WACOSS stands for an inclusive, just and equitable society. We advocate for social and economic change to improve the wellbeing of Western Australians and to strengthen the community services sector that supports them. WACOSS is part of a national network consisting of ACOSS and the State and Territory Councils of Social Service, who assist people on low incomes and experiencing disadvantage Australia wide.

WACOSS endorses the submissions to the Senate Select Committee made by the Australian Council of Social Service (ACOSS) and Justice Connect.

Background

There are approximately 4,636 Western Australia based charities registered with the ACNC, and a further 2,715 registered charities located in other states that report that they operate in WA.¹

Most WA charity income (59%) is self-generated and raised by donations, fees for service, social enterprises or returns on investments. However, just over \$480m was donated to WA charities in 2013/14, which represented just 4% of their total income.

Although more than half of total charity income is self-generated, this varies significantly across the charity activity types. For example, government grants represent 85% of the income for the 25 charities that provide 'Law and legal services', whereas none of the 1,288 philanthropic or religious charities reported receiving income from government.

A Fragmented Approach

Providing the right balance between protecting the public interest and placing administrative burdens on charities is essential. With State and Territory legislation and regulation simultaneously operating beside a Federal system, creates a fragmented approach with multiple reporting arrangements. In general, these are not providing any increased protection for consumers, but are merely increasing the burden on charities.

¹ Gilchrist, D. J. and P. A. Knight, (2017), [WA's Not-for-profit Sector 2017: The First Report on charities and Other Not-for-profits in WA](#). A Report for the Western Australian Council for Social Service. Perth, Australia

Having state and territory, as well as national registration for fundraising purposes can create significant duplication of financial and operating status reporting and administration. It is worth considering that government contracts with the community services sector, investing considerable public funds, without requiring the level of scrutiny and regulation that is involved in becoming licensed to solicit for public donations. The threshold used when contracting typically involves some level of incorporation and may include reference to an organisation's registration with the ACNC, presumably due to a recognition of the robustness of the ACNC's compliance regime.

Registration with the ACNC provides public access to considerable information regarding an agency for any potential donor who wishes to evaluate the bona fides of a charity. There are also registers kept by the ATO, Australian Business Register, ASIC and/or State Associations Incorporation regulators, and the Registrar of Indigenous Corporations, among others.

We support the proposal put forward by Justice Connect, ACOSS and the #fixfundraising campaign that centres around an approach that includes:

- Clarification and minor amendment to the Australian Consumer Law to ensure its application to fundraising activities is clear and broad
- The repeal of state and territory fundraising laws, with State and Territory regulators instead focusing on regulating conduct using the Australian Consumer Law or other general laws to take action for misconduct
- A short plain English, mandatory code of conduct for all fundraisers, supported by the work of self-regulatory bodies

If you would like to discuss this submission further, please feel free to contact the WACOSS Research and Policy Development Leader Chris Twomey at chris@wacoss.org.au or 9420 7222.

Yours sincerely,



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