

# Regulation, Reporting & Red-Tape

The 3 R's of Fundraising – Special Investigation



# Regulation, Reporting & Red-Tape

Regulation, reporting and red-tape – these 3 R's are an unavoidable reality for anyone working in the third sector today. With controversy and debate surrounding the Australian Charities and Not for Profit Commission (ACNC), this Giving Trends Special Investigation uncovers the thoughts and feelings of those working on the ground.

## The ACNC

The Australian Charities and Not-for-profits Commission (ACNC) is the national regulator of charities in Australia. Since 3 December 2012, charities wanting to access Commonwealth charity tax concessions (and other benefits), have been required to register with the ACNC and lodge an annual report providing information on their finances.

### **The regulator was set up to:**

- Maintain, protect and enhance public trust and confidence in the sector through increased accountability and transparency
- Support and sustain a robust, vibrant, independent and innovative not-for-profit sector
- Promote the reduction of unnecessary regulatory obligations on the sector

However, the Abbott Government believed that the ACNC created red tape and introduced legislation in early 2014 to have it abolished. What followed was a long period of uncertainty where supporters on both sides argued their case.

Ultimately, support for the charity regulator saw the Government announce in March 2016 that it would retain the ACNC and work with the states and territories and the sector to identify areas where it could reduce the burden of red tape for charities and Not for Profit organisations.

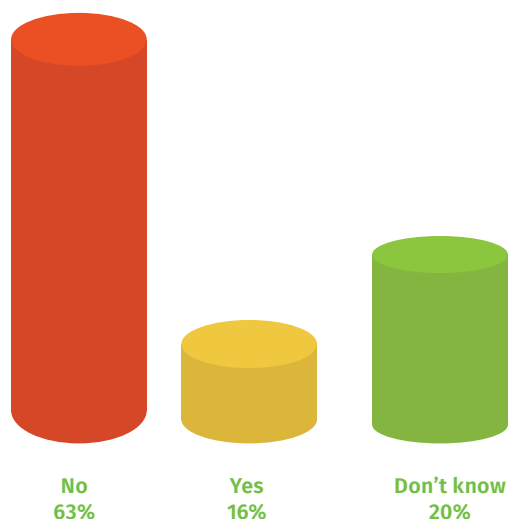




## What the Sector thinks

There are clearly varying opinions about not-for-profit regulation within the federal government, but how do those working in the third sector feel? As part of the most recent Giving Trends survey, we asked participants to give us their thoughts on regulation, reporting and red-tape.

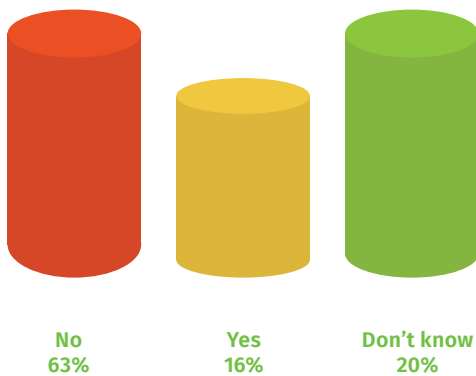
Q: Do you believe non-profit regulation in Australia is too restrictive?



The vast majority of survey respondents did not feel that the regulation and reporting requirements of the ACNC were too restrictive, with almost 2/3 of responding “no” to this question. The reasonably high percentage (just over 20%) of people who did not know if non-profit regulation was too restrictive, could suggest that the ACNC has not yet had the chance to show what its impact will be on charities and not for profits in Australia.

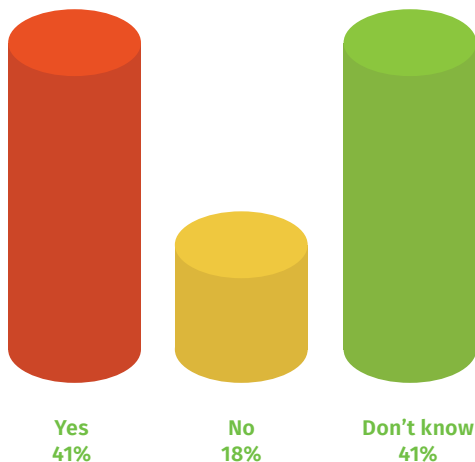
## What the Sector thinks Cont'd

Q: Do you believe the introduction of the ACNC has helped improve public understanding of charities and non-profits?



Opinion about the impact of the ACNC on public perception of charities is almost evenly divided. With over 65% of respondents not convinced the ACNC is fulfilling its key objective to enhance public confidence in the sector, it looks like the ACNC has some work to do in this area.

Q: Do you believe the public is satisfied with non-profit regulation in Australia?



The standout figure here is that 41% of respondents don't know how the public feel about non-profit regulation. What a wonderful opportunity for these fundraisers to start the conversation with their supporters and learn more about their barriers and motivations for giving.

## Conclusion

While regulation, reporting and red tape can be frustrating for the time poor fundraiser, they help provide the transparency and accountability charitable supporters crave. As you may have read in our previous Special Investigation, **Show Me the Money**, today's donors have a growing interest in the financial management of the charities they support and how their donations are used.

Since the ACNC was launched in 2012, its online Charity Register has been viewed 1.7 million times. This makes the integrity of the register critically important and the deregistration of charities a necessary part of maintaining public trust and confidence in the not-for-profit sector.

In early 2017, five hundred and ninety charities had their registration with ACNC revoked after failing to submit their annual reports two years running, and a further 1,300 received warnings to comply with reporting requirements.

Whatever your opinion of the ACNC, the regulator is here to stay (for the time being) and it is important that registered charities are aware of and meet their reporting obligations to the ACNC. It is also valuable to look into what else the ACNC has to offer. For example, their free charity tick program provides registered charities with a Registered Charity Tick logo to use in their publicity and promotion.

That brings us to the end of Regulation, Reporting and Red-tape. The Giving Trends team hope we have given you some insight into this sometimes tedious, but often necessary part of our fundraising work.

Warm regards,

**The Giving Trends Team**

## Giving Trends: Examine, Explore, Empower

Giving Trends is a resource that has been developed specifically for organisations seeking philanthropic and corporate support. Underpinned by ongoing market research and analysis, it provides valuable intelligence for those looking to advance their efforts and be more strategic in their approach.

The Giving Trends Special Investigation series is an accompaniment to Giving Trends & Predictions 2016. This year we will cover a range of interesting and relevant topics suggested to us by followers of Giving Trends, including volunteer engagement and the Australian Charities and Not-for-profits Commission.