



13 August 2021

Transparency Code Working Group
Individuals and Indirect Tax Division
The Treasury
Langton Crescent
PARKES ACT 2600

Via email: charitiesconsultation@treasury.gov.au

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Dear Sir or Madam,

Treasury Inquiry into a potential Code for charities for domestic fundraising

The Australian Council for International Development (ACFID) is the peak body for Australian non-government organisations involved in international development and humanitarian action. Founded in 1965, ACFID currently has 129 full members and 22 affiliates operating in more than 90 developing countries. The total revenue raised by ACFID's membership from all sources amounts to \$1.86 billion (2018-19), \$701 million of which is raised from over 1.26 million Australians. ACFID's members range between large Australian multi-sectoral organisations that are linked to international federations of NGOs, to agencies with specialised thematic expertise, and smaller community-based groups, with a mix of secular and faith-based organisations.

ACFID members must comply with the ACFID Code of Conduct, a voluntary, self-regulatory sector code of good practice that aims to improve international development and humanitarian action outcomes and increase stakeholder trust by enhancing the transparency, accountability and effectiveness of signatory organisations. Covering 9 Quality Principles, 33 Commitments and 92 compliance indicators, the Code sets good standards for program effectiveness, fundraising, governance and financial reporting. Compliance includes annual reporting and checks. The Code has an independent complaint handling process.

Importantly, administration costs are public under our Code. The wording is as follows:

"Members fully and accurately disclose administration costs and costs of any public fundraising".

While this is not specific to emergency appeals and we do not require members to include this information on their appeal pages specifically, where members do use financial ratios on their appeal pages, they are asked to clearly state how they were determined including defining key terms such as administration or fundraising. This allows donors to understand and compare how different agencies are operating. As a matter of good practice when we are reviewing members appeal pages, we suggest they include wording similar to this. The compliance form for emergency appeals is here: <https://acfid.asn.au/content/emergency-appeal-compliance-form>

Given ACFID has a long history of implementing a self-regulatory Code of Conduct with a strong culture of practice in meeting public transparency in this space assessing public appeals and promoting Code approved ones in the media, to aid a proposed Inquiry into a potential code for charities for domestic fundraising, we attach the ACFID Code of Conduct as a practical example you may wish to draw on in your deliberations. In particular we draw your attention to the sections that focus on humanitarian response

(Commitment 1.3). I also point you to the [ACFID emergency appeal guide](#) which is designed to help members identify the relevant aspects of the Code, and the [ACFID Fundraising Charter](#).

With the focus of the Treasury issues paper on domestic disasters and charity fundraising, only a couple of ACFIDs members are potentially affected (such as Australian Red Cross). However, we perceive measures in this space would find it hard to exempt certain categories of charities such as international, as often government regulations are universal. We take the view that a voluntary self-regulatory practice is the better model, undertaken by charities themselves. We have seen over twenty years of evidence that this model works, stemming back to the activities undertaken at the time of the Boxing Day Tsunami, and have stood the test of time. More red tape and Federal regulation and duplication is not the way forward. Rather the role of the Australian Charities and Not-for-profit Commission (ACNC) as the regulator offers guidance and encouragement to charities and convene charities to develop their own codes. See for example, the useful information provided to donors by the ACNC about charities and administration costs: <https://www.acnc.gov.au/for-public/understanding-charities/charities-and-administration-costs>.

We are ready to share our own expertise and existing good self-regulatory practice. We therefore request an opportunity to meet with the Review team to explain more and answer some of their questions. We are also willing to provide further thoughts on its implementation if asked to a hearing.

Yours Sincerely,



Marc Purcell
Chief Executive Officer
Australian Council for International Development