

9<sup>th</sup> August 2007

Mr Will Morgan  
Manager  
Associations and Charitable Collections  
Department of Consumer and Employment Protection  
Locked Bag 14 Cloisters Square  
PERTH WA 6850

Dear Mr Morgan

**Re: STREET COLLECTIONS (REGULATION) ACT 1940**

Thank you for your letter concerning this act and the issue of face to face fundraising.

Founded in 1968, Fundraising Institute Australia (FIA) is the peak national body for professional fundraisers. FIA's purpose is to develop best practice through advocacy of standards, professional development pathways, and measurable credentials.

The purpose of this letter is to address the concerns raised in your letter on behalf of our members and explain how face to face fundraising operates in Australia.

**Standard of Face to Face Fundraising Practice**

FIA has recently developed a draft Standard of Face to Face Fundraising Practice, which sets out guidelines for face to face fundraisers. If the guidelines are breached by an FIA member, a complaint can be made to FIA by any person and it will be dealt with in accordance with FIA's Complaints Process.

I attach copies of both documents for your reference.

**Importance of charity fundraising in Australia**

Fundraising is the major way charities raise funds. Individual Australians donate approximately 7.7 billion dollars per annum to non profit organisations (Giving Australia, 2005). According to the National Not-for-Profit Roundtable, charities make a major economic and social contribution to Australia, equal to that of the agriculture industry and double that of Tasmania. <http://nfprounatable.org.au/NFPfactsheet.doc>

Without income raised through fundraising, charities could not achieve this excellent outcome. It is in charities' interest to use new ways of fundraising that are effective.

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Face to face fundraising is a relatively new method of fundraising which enables charities to raise sufficient income to achieve their goals.

## **Background of Face to Face Fundraising**

Face to face fundraising is the method used to directly approach members of the public to solicit on-going charity support by means of pledges to donate regularly to the charity. Face to face fundraising provides a safe and secure means of collecting donations using direct debits from bank accounts or credit cards. The commercial face to face fundraisers do not collect money and all funds are directed to the charity, who compensate the commercial fundraiser by paying an agreed amount based on the number of pledges recruited. The charity updates the donors about its progress in relation to its causes, encouraging the donor to have an ongoing relationship with the charity.

In contrast, cash collections are an impulse gift by the donor and no details are recorded. With face to face, the donor keeps control of their giving, and can become more involved with the charity as an ongoing relationship is developed. The approach of asking face-to-face has stimulated many more new donors, in particular young people, who wait to be asked before they donate.

The method is now internationally established as a highly effective means of charitable fundraising. It was developed in Austria in the early 1990s and later taken up in the UK, Ireland and Canada. In Australia, Greenpeace pioneered this method of fundraising in 1998.

The method has been exceptionally successful at generating long-term sustainable funding for charitable causes, leading to their rapid growth. In Australia, face to face fundraising is used by many national charities such as Amnesty International, Australian Red Cross, Cancer Council, ChildFund, Greenpeace, Heart Research Institute, MissionAustralia, MSF, Plan International, Save The Children, Australia for UNHCR, World Wildlife Fund, Wesley Mission, Wilderness Society, Medecins sans Frontieres.

Face to face fundraising is an extremely effective method of raising funds. A recent survey undertaken by FIA, estimated 150,000 charity donors are recruited every year at an annual value of 50 million dollars. As an example, the Cancer Council NSW has 25,500 donors recruited through face to face fundraising who will contribute another \$7 million to cancer research this financial year.

While it is expensive to recruit new supporters in any form of fundraising, the average 'life' of these recruited donors is five years. Face to face fundraising programs are particularly important to charities because the donor makes a long-term commitment to supporting the charity's cause. This allows the charity to make a commitment to large and long-term projects, confident that the funds will be there.

Charities and commercial fundraisers ensure quality control of face to face fundraising by various means. For example, using mystery shoppers to check that the advocates are polite, not pushy and give factually correct information; phoning donors to make sure they are happy and that they understand the ongoing nature of their support; undertaking regular surveys of people who have signed up and of those who cancel their donations; conducting focus groups amongst the public to understand their motivations and feelings around this kind of donation; recording, tracking and responding to any concerns raised by donors or members of the public.

## Complaints made to DOCEP

The Australian Red Cross has confirmed that they have not received any complaints from retailers in Fremantle or Perth concerning face to face fundraising or their advocates. It appears that the retailers have complained directly to DOCEP, rather than to the charities. While this is their right, it has had the unfortunate effect that Australian Red Cross (or any other charity using face to face fundraising) has been denied the opportunity to address these complaints with their service provider and ensure that they do not recur.

Charities are concerned to maintain good relations with the public and government, as this enables their goals to be met. It is to DOCEP's credit that it has sought the views of charities before taking action.

FIA has not received any formal complaints about face to face fundraising which occurs in most states of Australia.

## The WA legislation

Section 12 (1) of the Charitable Collections Act 1946 provides that:

A Licence under this Act may authorise collections to be made, money to be obtained, or entertainments to be conducted for such period or such occasions *as the Minister thinks fit*, or may authorise collections to be made, money to be obtained, or entertainments to be conducted, during such time s the licence remains unrevoked. (emphasis added)

In your letter, you have advised that: “..it is current practice to limit the granting of only one permit to an organisation for one collection day a year.” This practice permits street collections (of cash) to be undertaken but does not allow for the different method of face to face fundraising which typically is undertaken over a number of consecutive days.

Further, it is clear from section 12 that the current practice is not legislative, but administrative. Therefore it is within the Minister's discretion under section 12 to adopt a different practice that gives greater assistance to charities' ability to fundraise.

I understand that the Public Collections Bill 2002 has yet to be tabled. However, given the effect of section 12 in the current legislation, the new Bill does not need to be tabled for current Ministerial practice to be changed to enable a more liberal approach to face to face fundraising with the application of appropriate guidelines.

FIA supports the use of operational guidelines for face to face fundraisers, as is shown by FIA's Standard of Face to Face Fundraising. FIA submits that the adoption of these guidelines by face to face fundraisers will ensure that face to face fundraising is carried out in a professional manner which does not impinge on the rights of retailers and the public when enjoying public space.

## Summary

As face to face fundraising is such a valuable contributor to charitable revenues in Australia, FIA urges DOCEP to review the current Ministerial practice with a view to facilitating the work of face to face fundraisers within an appropriate regulatory framework and supported by industry self regulation through compliance with principles and standards of professional fundraising practice.

FIA welcomes the opportunity to discuss these issues with DOCEP to achieve a positive outcome that meets the community needs of face to face fundraisers, retailers and the public.

Yours sincerely

**Dr Sue-Anne Wallace** FAICD MFIA  
Chief Executive Officer

