

FUNDRAISING INSTITUTE AUSTRALIA

Review of the Foreign Influence Transparency Scheme Bill 2017

SUBMISSION COVER SHEET

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ABOUT FIA

With over 1500 members, Fundraising Institute Australia is the largest representative body for the \$12.5 billion¹ charitable and not-for-profit fundraising sector, which is supported by some 14.9 million Australians. FIA members include charities operating domestically and internationally, as well as the organisations and professionals that provide services to them. FIA advocates for the interests of the sector, administers a self-regulatory Code, educates fundraising practitioners, promotes research and creates forums for the exchange of knowledge.

INTRODUCTION

FIA welcomes the opportunity to make a submission on the Review of the Foreign Influence Transparency Scheme Bill 2017 and its potential impacts on charitable fundraising.

While FIA supports the broad policy objectives of these reforms - to expose foreign influence on the Australian government policy development process – it is concerned about potential unintended consequences for charitable fundraising and wishes to bring these concerns to the attention of the Committee conducting the Review.

COMMENTS AND RECOMMENDATIONS

Adding unnecessarily to the red tape burden

The Government is committed to reducing unnecessary red tape. However the bill, if passed in its current form, would add considerably to the red tape burden on charities, affecting not only donations from overseas, but domestic fundraising as well.

A fundraiser working for a charity that has been designated a ‘political campaigner’ will be required to obtain statutory declarations from all donors

¹ Source: Giving Australia 2016

and have them witnessed to establish whether or not they are 'allowable donors'. Most donors are unlikely to be willing to submit to this amount of paperwork simply to make a donation. The likely confusion over which donations are 'allowable' is certain to have a depressing effect on fundraising activity.

Fundraising is already a very challenging occupation and involves a significant investment by charities who commit to professional fundraising campaigns; putting more hurdles between the donor and the cause will only make it more difficult for charities to acquire the funds they need to pursue their missions.

Separate bank account

The requirement to maintain a separate bank account for foreign donations over \$250 that may fall within the definition of a 'political purpose' will create a strong disincentive for charities to pursue philanthropy. Smaller to medium-sized charities will find the administration of multiple bank accounts and the risk of fines or other sanctions particularly onerous.

Requirement to obtain statutory declarations

Charities are already facing careful scrutiny (and oftentimes media criticism) for their cost of fundraising; the proposed requirement to obtain statutory declarations will only add to their paper burden and lead to further criticism from those in the community who argue too much of the donated gift goes to administration.

No evidence of systemic failure

FIA is unaware of any documented instance in which a registered charity has been involved in facilitating inappropriate foreign influence in the Australian political process. In the absence of any evidence of systemic failure involving the charitable and not for profit sector, it would seem unreasonable to extend coverage of the legislation to this sector.

Other alternatives

FIA submits that, if it is the Government's view that existing measures under the Charities Act are insufficient to discourage foreign interests from inappropriately influencing the Australian political process via registered charities, the current review of the Australian Charities and Not for profit Commission provides an opportunity to introduce appropriate amendments to the legislation governing the conduct of those charities.

End of Submission