

Charities Crisis Cabinet Fundraising Survey 2021



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Charities Crisis Cabinet
CCC

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BACKGROUND

Charities in Australia employ over 1.38 million staff and 3.6 million volunteers, contributing over 5% to GDP. Their work is at the very heart of communities across Australia. Charities receive over \$11.8 billion in donations each year.

Each year Australian charities and not-for-profit community groups spend millions of dollars trying to comply with a complex system of fundraising regulations. This is a barrier to charities raising money to pursue their purpose.

Each state and territory applies their own fundraising regulations, which are often inconsistent with each other. For example, the Northern Territory has no regulations but uses consumer law to tackle misleading or deceptive conduct. Other jurisdictions have created many individual regulations and requirements and they often conflict with those in other states and territories.

This research seeks to document the experiences of Australian charities and other not-for-profit community groups (NFPs) in trying to comply with the multiplicity of existing fundraising regulations in Australia and identify practical ways in which the complexity, duplication and red tape can be reduced.

METHODOLOGY

Survey design and data collection

On behalf of the Charities Crisis Cabinet, the Community Council for Australia (CCA) secretariat worked with Piazza Research to develop survey questions to test the experiences of Australian charities regarding the current regulation and registration structures. The survey questions were checked against 15 technical standards to ensure their validity. The CCA team loaded the final survey questions on the Survey Monkey platform for distribution via email.

Sample design

The survey was distributed widely across Australia's charities and not-for-profit sector via email. Key industry sector intermediaries acted as multipliers for survey distribution passing the survey on to their known charity and not-for-profit community groups for completion. Survey distribution intermediaries included members of the Charities Crisis Cabinet and these organisations and their members and affiliates:

- Community Council for Australia
- Pro Bono News
- Justice Connect
- Our Community
- Public Fundraising Regulatory Association

Collectively, these organisations reach across Australia's charities sector and to thousands of not-for-profit community groups around Australia. It is estimated that the population size of the Australian charities and not-for-profit community group sector is 55,000 or higher.

Sample confidence - A total of 643 surveys were collected. For the 95% confidence interval, this sample size is estimated to provide results accurate to within a +/- 3.9% margin of error for overall results and is considered reliable.

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Data processing and analysis

Piazza Research used its own statistical software, 'Q', to analyse survey results. Post data-entry checks were conducted to ensure data integrity before analysis and any invalid responses (e.g internally inconsistent answers, straight lining or responses completed in an impossible timeframe) were removed from the analysis.

Rounding – Percentage results have been rounded to the nearest whole per cent. Percentages in some graphs may total slightly more or less than 100%.

Multiple-choice questions – Percentages may add to more than 100% for questions where respondents could select more than one option from a list.

SUMMARY OF MAIN FINDINGS

Charity donation origin by state and territory – Australia's charities and NFPs undertaking fundraising activity are required to complete multiple registrations across states and territories depending on where they raise donations. Organisations most frequently registered in NSW (40%) and VIC (40%). Between 19% and 28% registered in the other states and territories. A substantial proportion of charities and NFPs surveyed (20%) did not register in any state or territory.

Fundraising Activities – Fundraising events are used by 60% of charities and NFPs. The majority use online fundraising methods (55%). This has implications for registration, reporting and ongoing compliance requirements; online fundraising requires consideration of seven different state and territory registration systems and compliance regimes.

Awareness of the need to comply with different licenses and regulations across states and territories when using online fundraising methods – A high proportion (39%) of Australia's charities and NFPs are not aware of the need to comply with different state and territory licenses and regulations when raising funds online.

Speed of the fundraising registration process – Substantial proportions of Australian charities and NFPs experience the speed of the fundraising registration process as slow (14% in the ACT to 50% in QLD).

Complexity of the current fundraising registration process – The majority of Australian charities and NFPs across all states and territories (between 57% and 88%) report that the fundraising registration process is either very complex with a lot of excessive information required, or 'somewhat complex'.

Financial and human resource burden from current fundraising rules and requirements – Between 22% and 40% of Australia's charities and NFPs report that current fundraising rules and requirements cause a high and unacceptable level of financial and human resource burden. This trend appears across all states and territories.

Average fundraising registration and compliance cost – The average registration and compliance cost of the middle 90% of Australia's charities is \$11,663.

Impact of current fundraising registration and rules on Australian charities – More than half (53%) of Australian charities and NFPs consider the impact of current fundraising rules and registration processes as 'significant' and 22% consider them so significant they have become a barrier to fundraising.

Support for simplified regulation model – Ninety-seven per cent (97%) of Australian charities strongly support or support the #Fixfundraising Coalition/Charities Crisis Cabinet simplified regulation model.

Importance of a single national regulation scheme as recommended by the Royal Commission into National Natural Disaster Arrangements – Almost all Australian charities and NFPs (91%) believe it is very important or somewhat important for state and territory governments to create a single national regulation scheme for charitable fundraising (as recommended by the Royal Commission into National Natural Disaster Arrangements).

State and Territory comparison – Charities and NFPs rated QLD, VIC, WA and NSW as the worst performing jurisdictions imposing the highest costs, complexity and time delays on charities seeking to undertake fundraising activities.

DETAILED FINDINGS

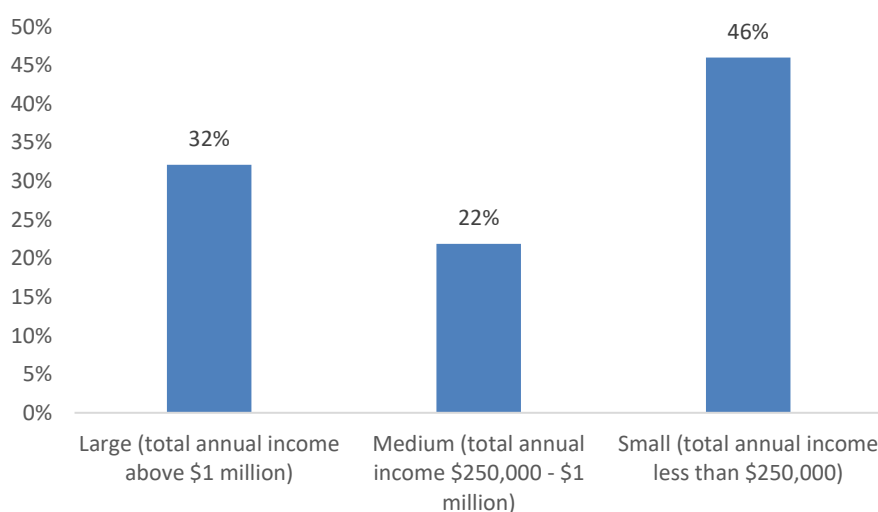
Q1 Organisation Type



Base n = 643

The majority of respondents for the survey were registered charities (66%) and other not-for-profit organisations (33%). Only 1% of respondents were fundraising companies.

Q2 Organisation size by income

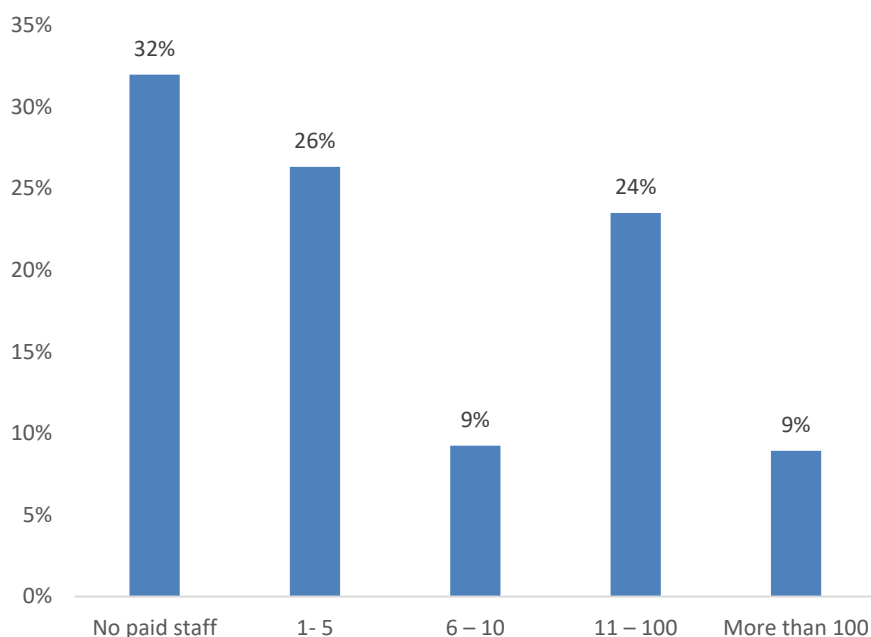


Base n = 635

The highest proportion of charities and NFPs surveyed were small (46%) with a total annual income of less than \$250,000. Large organisations represented 32% of survey results and 22% were medium organisations. This broadly aligns with the distribution of charities by size across the whole charities sector.

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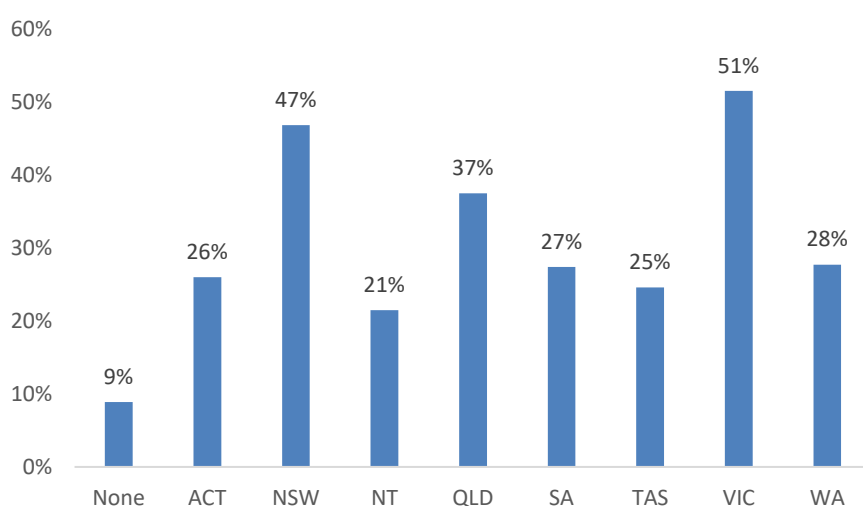
Q3 Organisation size by staff



Base n = 638

Two-thirds (67%) of surveyed charities and NFPs had 10 or fewer equivalent full-time paid staff and 32% had no paid staff. Just under a quarter (24%) were larger with 11-100 staff and 9% were large with more than 100 equivalent full-time paid staff.

Q4 Charity donation origin by state and territory



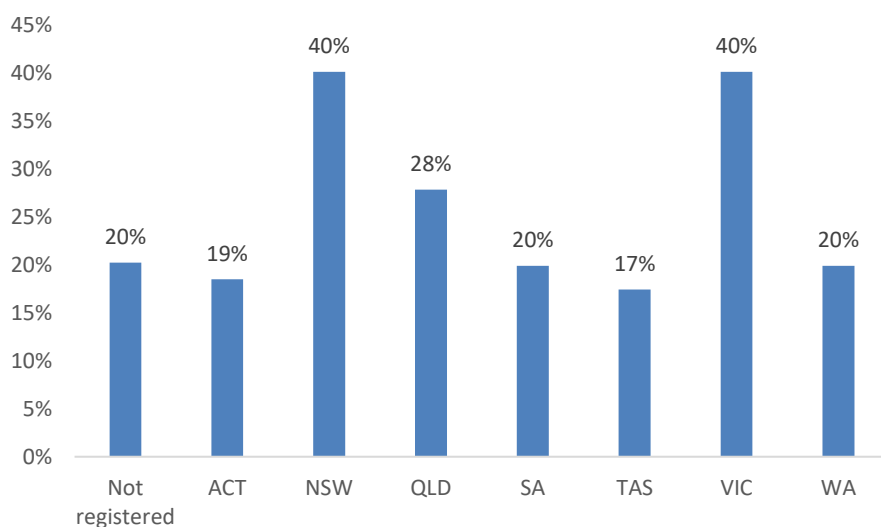
Base n = 643

Note: Percentages in this graph total more than 100% as respondents could answer more than one state or territory.

Australia's charities and NFPs raised funds across multiple jurisdictions Australia-wide. Fifty one per cent of organisations raised money from Victoria, 47% raised money from New South Wales and 37% from QLD. Money was raised from each of the other states and territories by between 21% and 28% of organisations.

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Q5 State and territory of registration (or registration application)



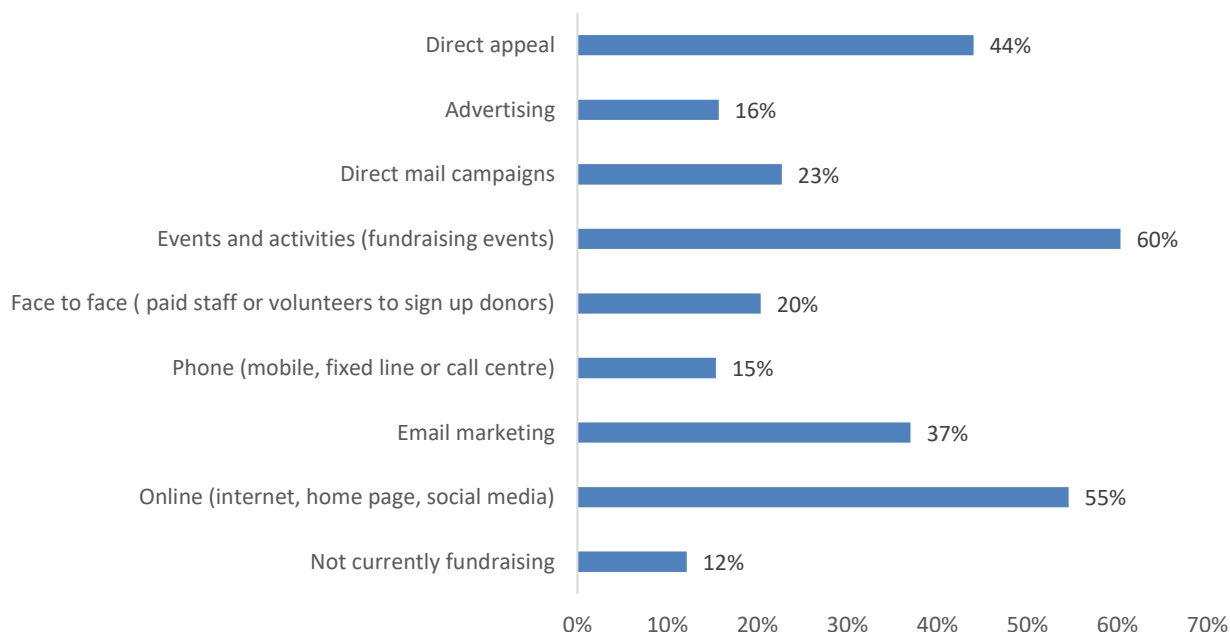
Charities and NFPs registered or applied to register across multiple states and territories. Organisations most frequently registered in NSW and VIC with 40% of organisations registering in both. Between 19% and 28% of charities and NFPs registered in the other states and territories.

A fifth (20%) of organisations surveyed did not register in any jurisdiction.

Base n = 643

Note: Percentages in this graph total more than 100% as respondents could answer more than one state or territory.

Q6 Type of fundraising activities



base n = 643

Note: Percentages in this graph total more than 100% as respondents could select more than one activity.

The majority of charities and NFPs in Australia rely on fundraising events (60%) and online activities (55%) to raise funds effectively. High proportions make direct appeals to philanthropists, foundations and companies (44%) and use email marketing (37%). The remaining fundraising activity types are used by between 15% and 23% of Australian charities and NFPs.

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Q7 Speed of the fundraising registration process



Base n = from 73 to 181

Between 14% and 50% of charities and NFPs raising money in each state, considered the speed of the fundraising registration process as slow.

Queensland was regarded as slow by the highest proportion of organisations (50%). Victoria, Western Australia and NSW followed with 43%, 36% and 28% regarding their registration process as slow.

Q8 Complexity of the fundraising registration process

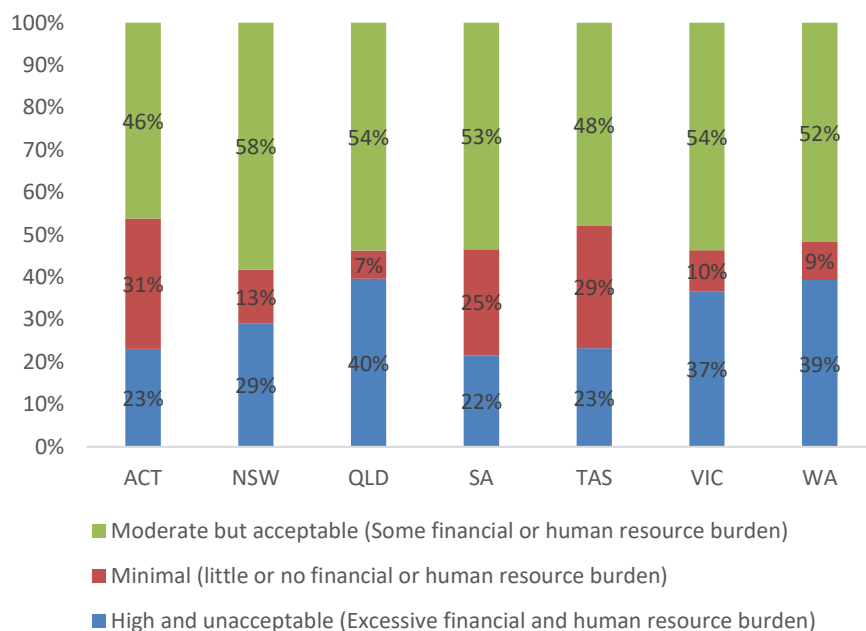


Base n = from 72 to 181

The majority of charities and NFPs for each state and territory (between 57% and 88%) report that the fundraising registration process is either very complex with a lot of excessive information required, or 'somewhat complex'.

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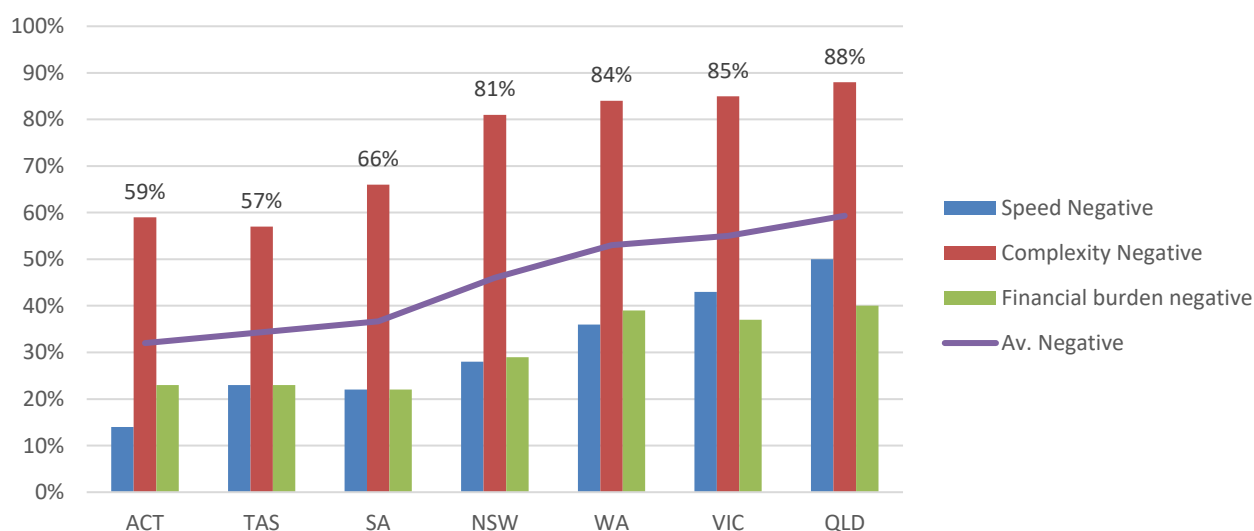
Q9 The financial and human resource burden from fundraising rules and requirements



Substantial proportions of Australia's charities and NFPs report that fundraising rules and requirements cause a high and unacceptable level of financial and human resource burden across states and territories (between 22% and 40%).

Base n = from 73 to 182

The negative impact of current regulatory framework by state and territory (Q7,8,9)



Base n = from 73 to 182

An analysis of the proportions of charities and NFPs responding negatively to the impact of the current regulatory frameworks (answering 'slow' to Q7, 'Very complex or somewhat complex' to Q8 and 'high and unacceptable' to Q9) was conducted. Overall, the majority of all jurisdictions were regarded as having overly complex processes. Queensland (88%), Victoria (85%) Western Australia (84%) and New South Wales (81%) had the highest proportions of negative responses to complexity. Queensland, Victoria, Western Australia and New South Wales were also considered to have a higher financial and human resource burden for charities as well as a slower registration process than for the other jurisdictions.

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Q10 Average fundraising registration and compliance cost per organisation

Organisation type	5% Trimmed Average (\$)
Fundraising company	NP*
Other not-for-profit organisation	10,095
Registered Charity	12,243
All	11,663

*NP (Not provided due to insufficient sample size for this category to be reliable).

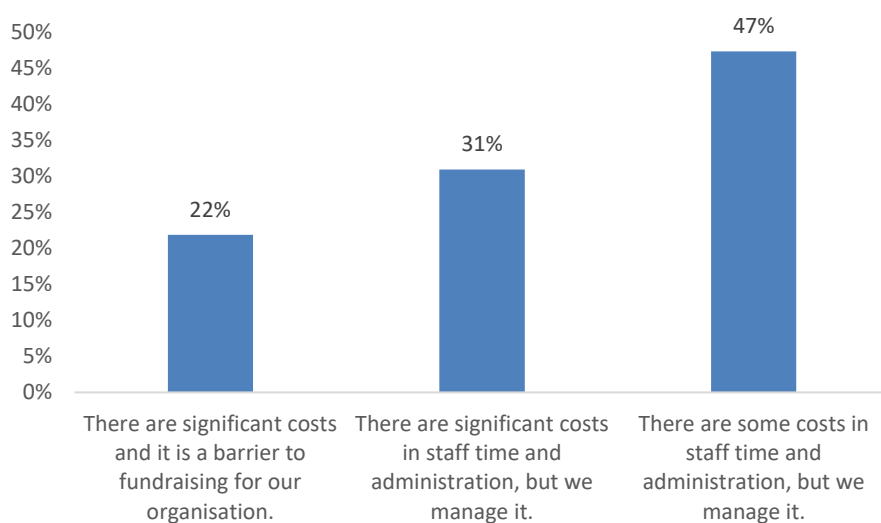
Survey respondents were asked “Over the previous 12 months, approximately how much (in whole dollars) have fundraising registration and compliance cost your organisation (including cost of staff time)?”

Base n = 169

To remove the effects of any unusually high or unusually low reported compliance costs, a 5% trimmed average was used to calculate the average registration and compliance cost. This process provides the average for the middle 90% of reported annual costs.

The current registration and compliance processes for Australian charities and NFPs cost organisations an average of \$11,663 for the last 12 months. Registered charities (\$12,243) were impacted more than other not-for-profit organisations (\$10,095) however both organisation types were substantially affected by these costs.

Q11 Fundraising registration and rules impact



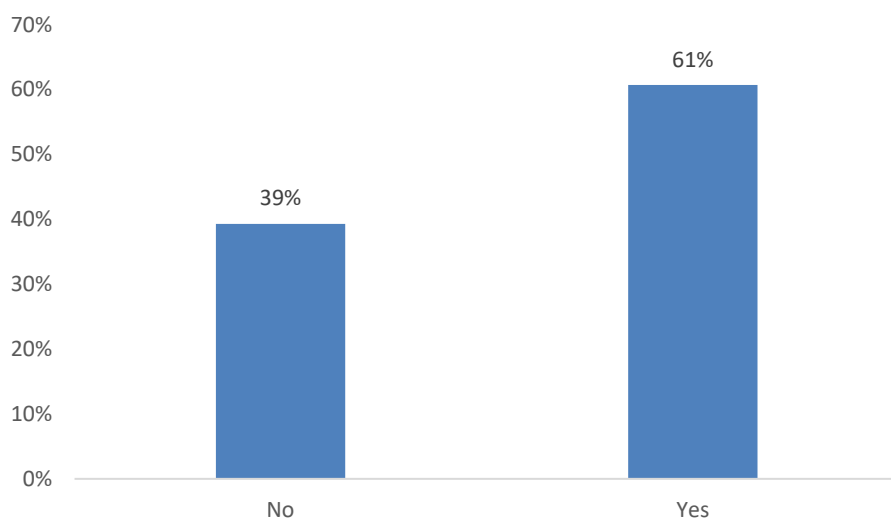
Base n = 440

More than half (53%) of Australian charities and NFPs consider the impact of current fundraising rules and registration processes as ‘significant’.

Overall, 22% consider these rules and registration processes as so significant that they have become a barrier to fundraising.

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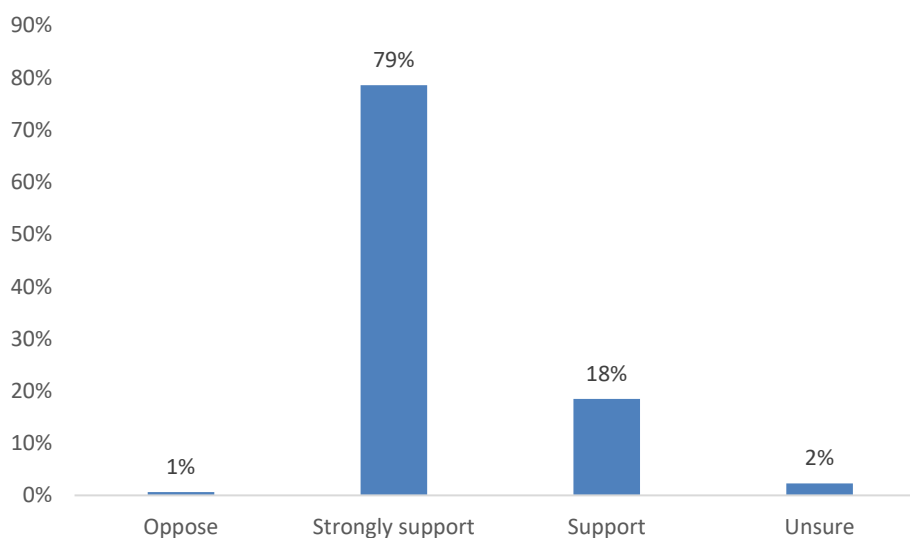
Q12 Awareness of need to comply with different licenses and regulations in different states/territories when using online fundraising methods.



While 61% of surveyed charities and NFPs were aware of the need to comply with different licences and regulations across different states and territories when using online fundraising methods. A high proportion though (39%) were not.

Base n = 468

Q13 Support for Fixfundraising Coalition/Charities Crisis Cabinet simplified regulation model



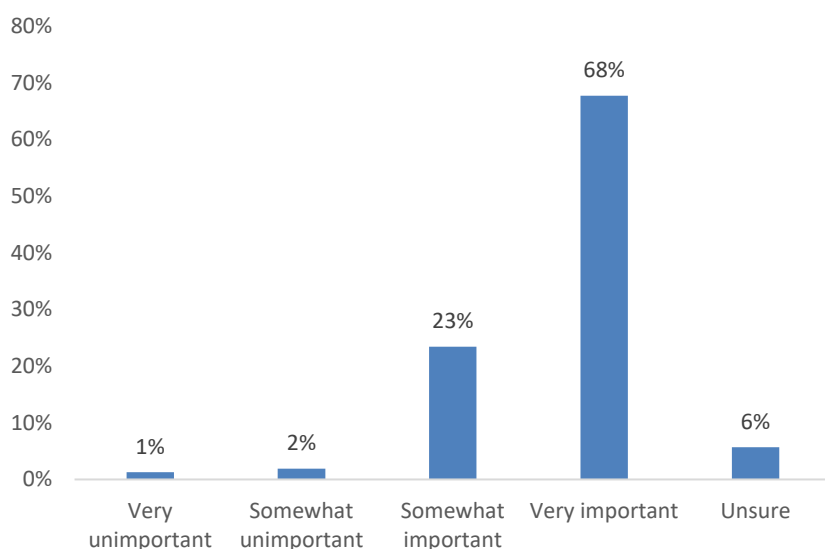
Ninety-seven per cent (97%) of Australian charities strongly support or support the Fixfundraising Coalition/Charities Crisis Cabinet simplified regulation model.

Note: This question was only asked of charities.

Base n = 303

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Q14 Importance of State and Territory governments creating a single national scheme for the regulation for charitable fundraising, recommended by the Royal Commission into National Natural Disaster Arrangements.



Almost all Australian charities and NFPs (91%) believe it is very important or somewhat important for State and Territory governments to create a single national regulation scheme for charitable fundraising (as recommended by the Royal Commission into National Natural Disaster Arrangements).

Base n = 474

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Attachment 1 – Questionnaire

1. Is your organisation a:
 - Registered Charity
 - Other not-for-profit organisation
 - Fundraising company
2. How would you describe your organisational size by total income?
 - Small (total annual income less than \$250,000)
 - Medium (total annual income \$250,000 - \$1 million)
 - Large (total annual income above \$1 million)
3. How would you describe your organisational size by the number of equivalent full-time paid staff?
 - No paid staff
 - 1- 5
 - 6 – 10
 - 11 – 100
 - More than 100
4. From which of the following states and territories does your charity or not-for-profit organisation obtain donor money? *Select all that apply*
 - 4.1 We do not receive donations
 - 4.2 ACT
 - 4.3 NSW
 - 4.4 NT
 - 4.5 QLD
 - 4.6 SA
 - 4.7 TAS
 - 4.8 VIC
 - 4.9 WA
 - 5.4 QLD
 - 5.5 SA
 - 5.6 TAS
 - 5.7 VIC
 - 5.8 WA
5. In which states and territory are you **registered** (or have applied for registration) for fundraising (*Note: This survey is anonymous and this question is being used to understand the level of formal registration across charities and not-for-profits. NT has no requirement for registration and is omitted.*) *Select all that apply*
 - 5.1 We have not registered (or applied to be registered) for fundraising in any state or territory
 - 5.2 ACT
 - 5.3 NSW
 6. What type of fundraising activities does your charity/organisation use? *Select all that apply*
 - 6.1 We do not currently engage in fundraising
 - 6.2 Online (internet, home page, social media)
 - 6.3 Email marketing
 - 6.4 Phone (mobile or fixed line or call centre)
 - 6.5 Face to face (using paid staff or volunteers to sign up donors)
 - 6.6 Events and activities (fundraising events)
 - 6.7 Direct mail campaigns
 - 6.8 Advertising
 - 6.9 Direct appeal to philanthropists, foundations, companies, etc.
 - 6.10 Other (please specify)
 7. For each of the following states/territory, how would you assess the speed of the fundraising registration process?
 - Slow
 - Acceptable
 - Fast
 - 7.1 ACT
 - 7.2 NSW
 - 7.3 QLD
 - 7.4 SA
 - 7.5 TAS
 - 7.6 VIC
 - 7.7 WA
 8. For each of the following states/territory, how would you assess the complexity of the fundraising registration process in terms of the amount of information you need to provide?
 - Simple (no excessive information required)
 - Somewhat complex (Some excessive information required)
 - Very complex (A lot of excessive information required)
 - 8.1 ACT
 - 8.2 NSW
 - 8.3 QLD

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8.4 SA
8.5 TAS
8.6 VIC
8.7 WA

9. For each of the following states/territory, how would you describe the level of financial and human resource burden that the ongoing fundraising rules and requirements cause your charity (eg. meeting with the varying requirements for public disclosure statements etc)

- Minimal (little or no financial or human resource burden)
- Moderate but acceptable (Some financial or human resource burden)
- High and unacceptable (Excessive financial and human resource burden)

9.1 ACT
9.2 NSW
9.3 QLD
9.4 SA
9.5 TAS
9.6 VIC
9.7 WA

10. Over the previous 12 months, approximately how much (in whole dollars) have fundraising registration and compliance cost your organisation (including cost of staff time)?

11. How have fundraising registration and rules across Australia impacted your organisation?
Select ONE ONLY

- There are some costs in staff time and administration, but we manage it.
- There are significant costs in staff time and administration, but we manage it.
- There are significant costs and it is a barrier to fundraising for our organisation.

12. Were you aware that by using online fundraising methods, you may need to comply with the varying licensing and regulatory requirements in every state and territory? (This question is interested in awareness. All responses will be de-identified.)

- Yes
- No

13. **(CHARITIES ONLY ANSWERED THIS QUESTION)** The Fixfundraising Coalition and the Charities Crisis Cabinet has developed a policy for a simpler solution to regulate public fundraising activities by registered charities to ensure honesty and transparency for donors.

It aims to establish a single and clear national standard and can be enforced using current laws.
We'd like to understand your level of support for this new regulation model described below.

The main elements of the policy are:

A charity should be legally allowed to seek donations from the public, including by adding a 'donate' button to their website, if it:

- is registered with the Australian Charities and Not-for-profits Commission (ACNC) and has its annual reporting and compliance up to date (donors can search the ACNC register for free to check this)
- complies with the Australian Consumer Law guidance on fundraising by charities – (doesn't mislead, deceive, coerce or harass donors)
- complies with any relevant local by-laws for face-to-face fundraising (e.g. when its ok to knock on people's doors)
- follows ethical fundraising practices in the way it seeks donations and how it is accountable for what it does with them. See The Australian Fundraising Principles that the Charities Crisis Cabinet proposes could be adopted and apply across all states and territories.

Please indicate your level of support for the above simplified regulation model.

- Strongly support
- Support
- Oppose
- Strongly Oppose
- Unsure

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14. How important is it to your charity/NFP that members of the Australian Government and State and Territory governments create a single national scheme for the regulation for charitable fundraising as recommended by the Royal Commission into National Natural Disaster Arrangements?

- Very important
- Somewhat important
- Somewhat unimportant
- Very unimportant
- Unsure

15. Thank you for your time. Survey responses will be de-identified.

If you would like to stay in touch with our progress, please provide email contact.

- Email:

16. If you would like to share more information or a short case study on your experience with fundraising regulation, please outline it here:

