

EMERGING ISSUES AND TRENDS



Key points

- Small charities, like their larger counterparts, will encounter issues that have the potential to affect their operations.
- These issues may cover activities related to fundraising, advocacy, administration costs, fraud or managing people's information and data.
- There are a number of guides covering these and other issues available on the ACNC website. Refer to the links on this page for more.

Administration costs

Administration costs are those that a charity incurs while carrying out its work. They might include rent, insurance, petrol, staff costs, goods/supplies and expenses covering phone and internet use.

The ACNC's perspective is that reasonable administration costs are unavoidable - charities (particularly small charities) can't operate for free and can't rely on just volunteer efforts.

Charities should be open about their spending on administration, and the public should consider administration costs in the context of each charity.

The Governance Standards require charities to operate responsibly. Where spending on administration is excessive, the ACNC can investigate.

Paying staff and board members

More than half of Australia's registered charities employ paid staff. Paid employees are vital to the work of charities, particularly those that deliver services to the community.

Charities may also choose to remunerate board members. A charity's governing document is likely to determine whether payments to board members are acceptable.

Larger charities are more likely to employ staff or remunerate board members than small charities. Any remuneration must be reasonable, appropriate for the duties and should be similar to comparable charities. Charities should also be transparent and accountable to their members.

The ACNC can investigate any payments if they are potentially unreasonable or in breach of ACNC Governance Standards.



Managing information and data

It is common for charities to gather **information and data** as they do their work. This might include information about their staff and volunteers, as well as sensitive donor data or other contact details.

A charity's operations and reputation are likely to be affected by any failure to establish proper information and data management procedures.

Smaller charities with fewer resources can be especially vulnerable in these areas.

A charity's Responsible Persons should be aware of these risks and have processes in place to address them.

Political campaigning and advocacy

Some charities undertake public **advocacy** towards achieving their charitable purpose or purposes.

A charity can promote or oppose a change to any matter of law, policy or practice, as long as this work furthers a charitable purpose, for example advancing the natural environment.

Charities also need to ensure that their advocacy does not constitute a 'disqualifying purpose'. The two purposes which will disqualify a charity are:

- engaging in, or promoting, activities that are unlawful or contrary to public policy, and
- promoting or opposing a political party or candidate for political office

Our guidance describes this issue in much greater detail, you can find it at [acnc.gov.au/advocacy](https://www.acnc.gov.au/advocacy).

Fundraising

If your charity chooses to fundraise, there are a number of issues to consider, particularly if a third party is involved.

It is important that any fundraising has adequate processes in place to protect people in vulnerable circumstances - those who may not be in a position to make a confident, informed choice about donating to your charity. The ACNC's guidance - **Fundraising: People in vulnerable circumstances** - provides an important point of reference.

Smaller charities that engage third-party fundraising agencies to conduct their fundraising must ensure the third-party fundraiser they've engaged follows proper fundraising behaviours and practices. While a charity can outsource fundraising activities, it cannot outsource its responsibilities.

Visit our website, [acnc.gov.au](https://www.acnc.gov.au), and search 'fundraising'. We have a range of information to help.

[More information](#)

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[acnc.gov.au/smallcharities](https://www.acnc.gov.au/smallcharities)