

Productivity Commission (Philanthropy Inquiry)

Baptist Care Australia response to the call for initial submissions

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Introduction

A welcome opportunity

Baptist Care Australia appreciates the opportunity to provide a submission to the Productivity Commission's Review of Philanthropy as part of the initial submission process.

We welcome all efforts to address inequality and improve outcomes for Australia's most vulnerable and acknowledge that the Government's efforts to double philanthropic giving by 2030 would create new opportunities to further these efforts.

About Baptist Care Australia

Baptist Care Australia is the national representative body for Baptist community service organisations and their clients in the national policy debate. We are a registered charity and a public benevolent institution.

Together, our members care for over 200,000 Australians, employ more than 11,500 staff, work with 3,000 volunteers and have an annual turnover of almost \$1 billion across a range of social service areas.

Our members serve people in aged care, retirement living, those affected by family violence, experiencing homelessness, on low incomes, experiencing relationship breakdown, living with a disability, and affected by multigenerational disadvantage. Services include crisis accommodation, social and affordable housing, out of home care for children, counselling, education, no- and low-interest loan schemes, and other programs that help people rebuild their lives or live independently with the right support. Aged care services include home care services, residential aged care and respite, as well as post-acute care and veterans' homecare.

Baptist Care Australia works to bring social justice to Australian communities, advocating nationally on issues important to our members and the consumers that access their services. A core principle in our work is to make sure that the interests and voices of marginalised people are heard when decisions are made that affect them. Our vision is a nation of hope-filled, purposeful people, building communities where every voice is heard. Our advocacy work seeks to help realise this aspiration. Our advocacy includes providing advice through two Departmental advisory committees and developing submissions to relevant Parliamentary or Departmental consultation processes.

Baptist Care Australia is an affiliated body of Australian Baptist Ministries.

Defining philanthropy

This section responds to **Information Request 1** relating to the different norms relating to philanthropy among different communities including faith-based groups. It provides insight into the connection between today's Baptist social service agencies and the faith-based 'philanthropy' that underpinned their foundation.

'Philanthropy' as a part of the Christian faith

Sharing of one's resources with people who are suffering is a central tenant of the Christian faith, and this is often expressed through giving to charitable causes. In giving, Christians seek to express the love of God for the world and to respond with compassion to those who are suffering. Such acts are seen as part of one's religious and spiritual practice and, as such, do not easily meld with the concept of philanthropy as conceived in national policy.

The amount and type of giving varies widely for each person: it can involve one-off financial contributions, a long-term commitment to maintain monthly donations, or contributions to annual fundraising drives. It can include volunteering time to help run activities, such as volunteering at a soup kitchen, playgroup or aged care home. It can include collecting and donating material goods such as food, clothes and furniture. It can include giving to charitable causes affiliated with the denomination, such as Baptist social service agencies or Baptist World Aid, and to secular charities working on key issues. It can include becoming foster carers. It can include choosing to devote one's life to work in charities or other industries that care for others despite the consequences for personal wealth.

As communities of people dedicated to living a life faith together, local congregations often become incubators for charitable activity. Many local Baptist churches run ministries that support the vulnerable and marginalised in their local area. Current examples from across the Baptist movement include:

- Crossway LifeCare counselling, mentoring, food and FDV support services by Crossway Baptist Church¹
- Men's shed and counselling service at Erina Community Baptist Church ²
- Community Care program and medical clinic at NewHope Baptist Church³
- MadCow homelessness and support services at Bendigo Baptist Church⁴
- Volunteer mentoring program Hervey Bay Baptist Church⁵
- Community care food bank and referral service and Karinya counselling at Syndal Baptist Church⁶
- The People's Place food pantry and community centre at Newmarket Baptist Church⁷
- Outback Connect to support the mental health of isolated people by Longreach Baptist Church⁸
- Kid's Hope school mentoring project at North Beach Baptist Church⁹

Many charities have been formed as a result of the work of local congregations that do not set out to establish a new charitable organisation but rather find themselves responding to the needs of people in their community: to the homeless person who is sleeping rough in the front porch of the sanctuary, to the new migrant who walked in one Sunday looking for connection and help, to local families who are struggling. But as one person leads to another, the church may find themselves responding to a group of people with the same issues. Eventually, this

¹ [Crossway LifeCare: Helping people in tough places flourish](#)

² [Erina Community Men's Shed — Erina Community Baptist Church \(erinabap.org.au\)](#)

³ [Home - NewHope Community Care Inc \(newhopecare.net.au\)](#)

⁴ [Services - MADCOW](#)

⁵ [www.hbbc.com.au/care/pages/coach](#)

⁶ [sb.org.au/Communitycare](#)

⁷ [Community centre, venue and a base for faith communities in Flemington, Melbourne, Victoria \(newmarketbaptist.church\)](#)

⁸ [Outback Connect Program | Longreach Baptist Church](#) and [Supporting the mental health of people in rural western Queensland - YouTube](#)

⁹ [Community | NBBC](#)

might lead to developing a ministry program with the formal structures and funding commitments to sustain over the long term. However, many remain small-scale activities embedded in the life of faith together.

Some eventually become independent charitable organisations. This can occur for many reasons over the course of operations. This can include the desire to obtain DGR status to sustain or increase financial donations or access to certain grant programs that do not want to fund religious organisations. It can also occur as a response to increased structural requirements as a result of government regulation (such as e.g., updated governance requirements for the care of vulnerable children and for aged care).

Christian ‘philanthropy’ as the foundation of Baptist social services

All of Baptist Care Australia’s member organisations were founded on a church ministry responding to the needs of people in their local community. Some examples are provided here to illustrate this trajectory from foundation to the organisations that operate today.

Baptcare (Victoria)¹⁰

The Foundation of Baptcare can be traced back to 1945 when a group of Baptist women joined together to raise £4,000 in a time of war to open Australia’s first Baptist home for older people. The work established the Strathalan aged care residence, which has grown into a thriving community that continues today. This missional spirit from Baptist communities founded the local services that have become part of Baptcare today: like the Community Nursing Services seeded from the Brunswick Baptist church and Family & Children’s Services from Abercare founded by Aberfeldie Baptist church.

BaptistCare (NSW & ACT)¹¹

In post-war Australia, NSW Baptists were slowly encouraging their community to engage with social action in a more positive way. The President of the Baptist Union of NSW, RE Walker, led the work with a proposal for Baptist social work to be established in NSW. The 1942 NSW Baptist Union financial plan included funds for six strategies for social work. Within a year, Walker had appointed the Homes Investigating Committee made up of 22 volunteers. The committee identified legal and taxation barriers to religious bodies such as the Baptist Union owning and running social service ventures and recommended the Union establish a separate body for that purpose - the *Baptist Homes Trust*.

Once established, the *Baptist Homes Trust* entered a decade of expansion. Having been a volunteer movement for over a decade, the first employee was appointed in 1952. But it was through the continuing support of committed volunteers that the Trust flourished. Despite teething problems along the way, by 1959 the Trust pioneers had established two aged persons’ homes, assisted the Lismore church to open its own home and had plans approved for another. Two children’s homes were operating, as was a home for a group of displaced refugees. In addition, early ventures into social welfare were underway.

Through the 1960s, the Baptist Homes Trust consolidated its existing facilities and expanded into rural aged care. New homes opened in Parkes, Newcastle, Canberra and the Blue Mountains, managed by regional boards of local volunteers. It was also a time of further expansion into social welfare.

By the end of the 1970s, the Trust managed eighteen facilities - twelve homes and village groups for the aged, four homes for children and young people, a block of flats for single mothers and their children, and a home for ex-prisoners and men on probation. These homes offered accommodation and care to more than 900 people.

¹⁰ Excerpt from [Why Baptcare - Baptcare](#)

¹¹ Edited extract of “75 years of caring” [BaptistCare Celebrates 75 Years of Caring | BaptistCare](#)

Baptistcare Western Australia¹²

At the heart of Baptistcare WA is one simple principle: we care about people. This conviction prompted members of the Baptist family of churches to establish Baptistcare over 50 years ago. The *Baptist Homes Board* was established in 1972 in response to a need for suitable accommodation and nursing care for the elderly. The first aged care facility to open was Baptistcare Gracewood in Salter Point in 1982, the largest of all the Baptistcare sites. Two years later the first retirement living units opened at Baptistcare Bethel in Albany. In 1996 Baptistcare moved into the area of home care to enable the aged to remain in their own home for as long as possible.

Baptist Care South Australia¹³

Established in 1913, Baptist Care South Australia has been of service for over 100 years. It began when the community of the West End Baptist Church, located in Millers Court in Adelaide, started the West End Baptist Mission to provide a safe place for people living on the streets.

In 1949, the South Australian Baptist Union (now Baptist Churches of South Australia) established a home for people who were frail aged in Norwood. This was followed by additional homes in Morphett Vale and Davoren Park. In 1956, the South Australian Baptist Union opened the Mylor Baptist Camp in the Adelaide Hills as a place to provide tailored camping experiences for school and church groups. In 1998, the West End Baptist Mission and Mylor Baptist Camp amalgamated to form Baptist Community Services SA. In 2008, Baptist Community Services SA and the South Australian Baptist Homes for Aged came together under the name Baptist Care SA. In 2013, Baptist Churches of South Australia decided to no longer provide aged care services and the service ceased.

Today, their services extend to out-of-home care, disability care, family wellbeing and support for young people who are refugees. With the support of local Elders and Leaders, they provide culturally appropriate specialist services to people who are Aboriginal and Torres Strait Islander. As a ministry of Baptist Churches of South Australia, Baptist Care SA also provides Chaplaincy services for community settings and partners with local congregations to help churches build stronger relationships in their local communities.

The site that started it all is now Baptist Care SA's WestCare Centre, where they continue to support people who are experiencing homelessness. This includes overnight accommodation during extreme weather events, a Community Food Hub providing free or low-cost food to people in need, referrals to other services and education opportunities for schools to learn about homelessness.

Ashfield Baptist Homes (NSW)

In the early 1930s, Christian nurse Ann Scurr saw the need for a place of refuge for elderly folk. Ann nursed during World War I and through the disastrous influenza epidemic of 1918-19. Widowed at a young age, she had no finances, but she followed the courage of her convictions. In 1931 she secured the house 'Surbiton' after an anonymous £50 donation arrived in the mail to cover the holding deposit. She then convinced the local bank manager to provide a loan despite no income or equity, in order to furnish and resource the facility. The house was named Bethel Rest Home ('God's House') and Scurr never defaulted on a single payment. Bethel's reputation grew and by 1933 there were three Christian nurses.

By 1950, Scurr's local church was keen to acquire Bethel, but only if it was restricted to members of their own denomination, to the point of removing existing residents. This was foreign to Ann's philosophy. In 1950, Harry Orr was the Minister at Ashfield Baptist Church and a mature and experienced theologian. Scurr was swayed by Harry's assurances that the home would continue to accept people from all denominations, whether Christian or not.

In June 1950 Ashfield Baptist Church became the lessee of Bethel Nursing Home. Ashfield Baptist Homes operations began with just 23 residents, but by 1997 the facility was transformed into the dual-facility, 136-bed, modern, comfortable and high-tech operation it is today.

¹² Excerpt from [About Baptistcare, we're here for you | Baptistcare WA](#)

¹³ Edited extract from [Our history - Baptist Care SA](#)

Group of churches team up to fill the gaps by funding housing for asylum seekers

People seeking asylum are among the most vulnerable in our community. Baptcare's *Houses of Hope* program offers safe, suitable and secure housing for people seeking asylum who have experienced, or are at risk of, homelessness.

This initiative is supported by a number of Baptist congregations. One beautiful example of this support is provided by a group of four churches in Melbourne's inner north-eastern suburbs.

The Baptist churches of West Preston, Ivanhoe, Rosanna and Regent have been meeting for some time, exploring the Baptist Union of Victoria slogan Together on Mission.

"They have come together under the name of Mosaic, reflecting that they remain individual churches but are embracing the partnership paradigm. Part of the conversation has been around what sort of missional initiatives each of the churches has been undertaking, and what opportunities there are to support each other."

West Preston Baptist Church has had a long involvement in supporting people seeking asylum through Baptcare's Sanctuary program. This congregation has led the drive of the Mosaic churches to support Houses of Hope. After a joint service, each congregation pledged an amount to put towards renting houses for the project through the auspices of Baptcare. The Mosaic churches are now supporting three Houses of Hope, with aspirations for a fourth.

"We decided to do some fundraising and kicked off an initiative amongst the four churches in our area," says Tony Williams of West Preston Baptist Church. "We advertised the need amongst the churches and got enough pledges to provide funds to Baptcare for the rental of almost three two-bedroom units for a minimum of two years. The people who pledged could visualise who the people are who are affected, and that personal connection with asylum seekers drove the response."

The Bible has numerous references to showing love for strangers. (For example, Matthew 25:35 For I was hungry and you gave me food, I was thirsty and you gave me something to drink, I was a stranger and you welcomed me.) When the scripture says that God's face can be seen in the face of the stranger, it means that God's face can be seen in the face of the person seeking asylum, and the refugee. This underpins the love and support that is flowing from the Mosaic churches, and the other congregations and individuals supporting Houses of Hope. It is an alignment of mission between Baptcare, Baptist churches and the BUV Support Hub with one aim: supporting people in acute need.



Edited extract and image courtesy of [Mosaic churches team up to support Houses of Hope - Baptcare](#)

Vehicles, trends and motivations

In this section, we respond to **Information Request 2** regarding the sources of philanthropic revenue for charities and the different characteristics of donors. We share details of the philanthropic vehicles used by Baptist social service agencies to raise funds, as well as insights into the people and institutions that support their work.

Types of fundraising activities

Fundraising activities undertaken by Baptist Care Australia members include:

- A variety of communications to request direct donations
- Communities of givers who commit to providing regular donations for a period of time
- Workplace giving programs that enable employees to donate to charities as a pre-tax donation, directly from their pay
- Programs to encourage supporters to leave a gift in their will through a bequest
- Fundraising events which people pay to attend (such as a ball or dinner)
- Fundraising activities in which volunteers raise money by asking people to donate if they complete a particular challenge (such as a cycling or marathon challenge)
- Appeals relating to a specific event (such as responding to need arising from flood, fire or other emergency)

One large agency reported that they operate several large fundraising activities throughout the year which rely on fundraising organisations that facilitate these sponsorship activities. In addition to these larger fundraising initiatives, they also undertake four Appeals and issue key communication pieces which showcase the impact of financial contributions. It also has valuable corporate partners, as well as the church network. Internally, employees have the option to opt into a Workplace Giving Campaign. Grants also forms a key part of funding and support projects and initiatives critical to the business. A number of teams are involved internally and externally to execute and support philanthropic funding, predominantly the Fundraising Team who project manage these initiatives. Other teams that assist to deliver strategic outcomes include the wider Marketing and Communications Team, Community Services division, Finance and Legal. They also partner with external organisations to assist with service delivery and corporate partners.

Fostering philanthropic relationships

As one member has explained, relationships with individuals and communities are established at many levels and are fostered for many reasons. Philanthropic relationships are established:

- via church affiliations with individuals/congregations
- as a result of clients and their families receiving services
- through corporate and community group interest due to alignment with organisational values and purposes
- through other community members with a passion and interest in supporting the work

There is a small team, as well as key individuals, within the organisation which works to support these relationships. Relationships are fostered through establishing meaningful and authentic personal connections, coupled with implementing the organisation's Fundraising Strategic Plan and associated initiatives which outline donor engagement, retention, and stewardship approaches.

Philanthropic support through funding bodies varies and is generally managed through the grant process.

Insights into the people who donate and their motivations for giving

One large provider reported that they typically attract an older donor demographic (average age - 75) due to the nature of the organisation and causes they support. Many of their donors have a long affiliation with the organisation due to their historical foundations and ongoing connections with the Baptist Church. Many of their donors continue to give generously due to this faith connection.

The agency provides care for the aged and find many donors are family members who are donating to specific aged care sites due to the support and care that had been provided to their loved one throughout a period of residency.

It is an organisation which truly seeks to make a difference and feedback from donors suggests that the work they are doing, especially in relation to poverty and suffering, provides a trusted place for individuals and communities to offer hope to people living with disadvantage and distress.

One person's motivations for 40 years of continuous volunteer service

Recently, the team at Bapcare came together in celebrating an astounding milestone – 40 years of volunteer service by our much-loved team member, Evelyn Wakeling.

Evelyn is a talented volunteer pianist at Bapcare whose contribution can be traced back to the early 1980s. Her husband was the pastor of the East Kew Baptist Church, preaching at Hedley Sutton and Karana services. Evelyn would arrive early, playing piano as the residents streamed in accompanied by their carers. Sadly, Evelyn's husband passed away in 2000 – but her motivation to continue playing for our residents never dimmed. "My husband and I were a team," explains Evelyn, "and I just wanted to continue after he died. I feel so loved and needed by everyone. That's important for all of us."

Interestingly, Evelyn's mother was involved in the Victorian Baptist Women's Association which was integral to the establishment of Strathalan, which marked the beginning of our not-for-profit organisation in the 1940s. "Mum always talked about how important it was to be doing something for senior citizens and providing services for them," said Evelyn. And so, from mother to daughter, the seed of compassion and service was planted and has grown to bear this remarkable fruit of 40 years of volunteering.

Feeling embraced by this strong community of volunteers, residents and staff has played a key part in keeping Evelyn going over the years. She is at pains to point out the strong contribution of others along her journey. "I want to say a tremendous word of thanks and appreciation to David, the chaplain here at Hedley Sutton," said Evelyn. "Last year when I was unwell, he rang me all the time to make sure I was OK and had everything I needed."



Edited extract and image courtesy of [Celebrating an amazing 40 years of volunteer service at Bapcare](#)

Role of government

This section responds to **Information request 3** on the role of philanthropy in relation to government funding or provision of services, and the reasons why government should (or should not) support philanthropy.

We reaffirm the role of philanthropy as a complement to government funding of core supports and services, and as a valuable contribution to the wider public good.

Philanthropy should not replace Government funding of basic services

The Australian Government should remain the primary mechanism by which the public fund basic supports and services. Our society relies on these basic supports and services to function well, and it remains the responsibility of government to ensure these are adequately resourced to respond to need.

We note in particular the vital role of Government in ensuring basic living standards for the poorest members of our communities through social security payments. We are aware many of our members and other charities are currently experiencing a significant increase in demand for services stemming from the rapid and substantive increases in the costs of living. The number of people seeking support from food pantries, homeless services, family and domestic violence response and other such services is rising rapidly. The current rates of basic payments such as JobSeeker and Youth Allowance are too low to cover the basic costs of everyday life, leading many people to seek assistance from charities to help. It is at these times when large scale economic changes impact thousands of everyday Australians that donations start to falter, as regular giving contracts in tandem with the loss of discretionary funds. Without such basic resourcing, charities and their staff come under intense pressure as they work to meet increased demand without increased resourcing.

Philanthropy can be more agile in responding to need

Members report that philanthropic giving can be more agile and flexible, providing them with resources to respond to needs that are otherwise outside the mandate of government service funding. Certain forms of philanthropic funding, particularly any form of untied financial donations, allow charities to use their professional expertise to decide on the best use of those funds. This flexibility is rare in many grants or government service funding.

Government funding mechanisms can be slow to respond to a rapid or unexpected increase in need, particularly at a local level, whether that be during times of emergency or in response to emerging issues in communities. Philanthropic funding can be more agile, as it is often less burdened by large bureaucratic structures that slow down decision-making.

Governments also often assess and respond to need based on population-level data that can overshadow less visible needs. Charities may be willing to tend to such need but require resources to do so. Having access to funds that can be used in such a flexible manner is vital.

Philanthropy can fill particular gaps

Notwithstanding the points above, there are times when the Government of the day may not have the financial resources or political will to provide the level or type of funding required to respond to need in the community. This may be because the service requirements are outstripping the level of resourcing the Government is able to allocate, or it may be because there is an area of need that the Government does not want to address.

In these situations, other people in society may be willing to address these gaps through the additional financial contributions – in addition to their contributions through tax – in order to improve outcomes for the wider society. As described in some detail above, and in the case studies, there are people in society who are willing to leverage their personal resources to try and attend to these issues. For these reasons, the Government should support philanthropic giving to charities and charitable activities as an important public good.

Fundraising enables members to deliver care to people who cannot access Government services

While Baptcare receives state and federal government funding for the provision of aged care, home and community care, and family and children’s services, Baptcare does additional work beyond government funded services. For example, Baptcare is proud to support several vulnerable communities through our Home-Start and Sanctuary programs, neither of which have government funding and therefore are reliant on donations.

In the last financial year, the generosity of our partners helped us raise over \$396,700. Major fundraising initiatives included our Annual Charity Golf Day, annual Christmas Appeal, a toy and hamper drive for goods donated by Carey Baptist Grammar and one of Baptcare’s aged care homes, an internal toy and hamper drive for cash donations from Baptcare staff, and an end of financial year Tax Appeal. Baptcare has also been the grateful recipient of several philanthropic grants for capacity building projects improving our Home-Start and Sanctuary programs.

It was exciting to see a return of Baptcare’s 12th Annual Charity Golf Day at Huntingdale Golf Course in March 2022 after years of postponement due to pandemic lockdowns. We raised over \$67,425 for our Sanctuary Program to provide much needed transitional housing, associated case work and employment support to those seeking asylum in Victoria. A special thanks to all our sponsors, in particular our principal sponsor for the event, Devco Project and Construction Management Pty Ltd.

We are grateful for the donations received from, and ongoing partnerships with generous and supportive churches, companies, trusts and foundations. Our fundraising was also significantly supported by generous individual donations for which we’re very thankful. And many others including those who have chosen to remain anonymous.



Edited extract and image courtesy of [Baptcare Annual Report 2021-22](#)

Deductible Gift Recipient (DGR) framework

This section responds to **Information request 4** on the effectiveness of the Deductible Gift Recipient (DGR) framework, and the extent to which DGR status encourages giving to charities. We reinforce the value of Deductible Gift Recipient (DGR) status for our members and encourage the Commission to recommend it is expanded to all charities registered with the ACNC.

DGR status positively impacts people's willingness to donate

Baptist Care Australia members hold DGR status and find that this positively impacts people's willingness to donate to their organisations. This mechanism provides individual donors with the benefit of reducing their taxable income. In addition to this modest financial incentive, there is anecdotal evidence that members of the public do not always appreciate that an organisation may be undertaking charitable activity without being eligible for DGR status. As a result, some people appear to view DGR status as a type of government endorsement that an organisation is a charity worthy of financial support.

Using a giving circle to secure regular donations

The 1913 Lavis Pathway Team is an active network of change makers committed to ending poverty and overcoming barriers to social and economic inclusion for all South Australians. These individuals commit to making a regular monthly donation which goes to help the WestCare Centre run by Baptist Care SA.

As the heartbeat of our care and compassion for those in need, team members are the trusted friends by the side of those doing it tough who won't walk away or give up on people who need support to move beyond life's toughest challenges. Without the invaluable support of the 1913 Lavis Pathway Team, people today would go hungry and cold.

The Lavis Pathway Team is named for Robert Lavis, who was the first Superintendent of the West End Mission (now the WestCare Centre), and his wife Lucy. The Lavis family had a God-given desire to serve the homeless people and hungry children. Having witnessed the great need around them, they established a kindergarten with accommodation for over 200 children and created a Pathway to Hope to help transform the lives they saw around them.

Edited extract from [Lavis Pathway Team - Baptist Care SA](#)

DGR status facilitates donations from corporations

The experience of members suggests corporations view DGR status as a pre-requisite for providing financial support to charities. This status provides companies with the benefit of claiming that donation as a deduction against their taxable income when they lodge their tax return. This incentive drives corporate donations to those charities with DGR status.

DGR status is required to access certain grants and funds

DGR status is a pre-requisite to apply for funding from many philanthropic grant bodies that use this to ensure all their grants are tax-deductible. This requirement is embedded in the legal structure of many trusts and foundations. For this reason, charities that do not have DGR status are at a substantial disadvantage.

DGR status should be extended to all charities registered with the ACNC

Baptist Care Australia supports calls to simplify the DGR regime by extending DGR status to all charities registered with ACNC, unless they request otherwise. Our position is in line with that taken by the Stronger Charities Alliance.

Donations that enable community-led responses

Through their Collaborative Community Projects, Carinity offers small grants to local churches to respond to need in their local area. These community-engaged projects relieve and mitigate disadvantage; promote connectivity for vulnerable people; and increase the strength of local neighbourhoods against disadvantage.



Image courtesy of [Carinity](#) 28 February 2023

Some donors also value recognition

We note that, in addition to the benefits provided via the DGR system, some donors also value recognition of their contributions through either personal thanks in the form of cards or phone calls, or public acknowledgement through co-branding, social media and acknowledgement in annual reports.

We note in particular that most private companies that donate money or other resources to charities will seek this type of recognition. For such donors, DGR benefits may be only one part of the value they obtain from the donation. Many also see that such donations can add value to their brand through the association with a charity's brand, as well as the opportunities to increase brand awareness through communication channels otherwise not available to them.

However, this is not uniform across the board, as some donors prefer to remain anonymous.

Raising funds through challenge events

BaptistCare NSW/ACT partners with The Chain Reaction Challenge Foundation for an annual cycling event to raise funds for children's services.



BaptistCare

1 March · 🌐



We always knew day 2 of this year's Chain Reaction Challenge would be the most gruelling of the week long, 1,000 kilometre ride, with riders facing 160 kilometres and 2,000 metres of climbing - some parts of it at a 15% incline 🚴 🏔️

But the team have come through smiling, safe, and driven by our cause, having so far raised \$182,000 for the children we serve at BaptistCare HopeStreet, who are living with disadvantage.

Today marks day 4 - the halfway point! We wish the Chain Reaction riders all the best as they take on the Fox Glacier to Haast route.

Our heartfelt thanks go to our corporate sponsors and donors who are bringing us ever closer to our fundraising goal of \$250,000. Please join them in supporting our riders:

<https://lnkd.in/gx4HCVGx>



Image courtesy of [BaptistCare](#) 01 March 2023

Other tax concessions

This section responds to **Information request 5** on the effectiveness of tax concessions in supporting the operation of not-for-profit organisations. We explain why these tax concessions are essential to the viability of our members and describe how it helps them to overcome certain disadvantages not faced by private companies.

Tax concessions are essential

Baptist Care Australia's members rely on tax concessions to remain viable. These concessions enable charities to maximise the impact of every dollar received. Removing such concessions in the current market would undermine the ability of the sector to provide essential services due to the drop in the funds available. As a result, agencies would be forced to reduce service size or scope or, in some cases, cease operations.

We note that it is problematic to frame the sector's tax concessions in terms of cost rather than value. Instead, it is more appropriate to view the tax concessions as an investment that multiplies value, rather than as a cost to government revenue. We point to the case study we have provided on the Social Return on Investment framework as a mechanism to assist in more strongly reorienting this approach to a question of the type of value that is created via this form of public investment.

Given this vital contribution, we ask the Commission to ensure that any assessment of tax concessions is done with a view to maintain or expand resourcing to the sector.

Tax concessions assist with workforce recruitment and retention

We note in particular the particular contribution of tax concessions to workforce recruitment and retention. Charities are not able to pay people at commercial rates, and this is a strong disincentive to future employees and to employee retention. This is particularly significant in the current context in which workforce pressures are at the highest levels we have seen: COVID-19 created high burnout and turnover rates, unemployment rates are at record lows, and this year's 7% inflation is putting massive upwards pressures on wages.

We also note that the social services workforce is highly dominated by women who are committed to the work despite the fact they are paid less than people with equivalent roles and qualifications who work in a government or corporate organisations. The Fringe Benefits Tax exemptions available to our staff provide some amelioration for this disparity in wages.

As noted in last year's ANU report *Improving the utilisation of the fringe benefits tax concession by Public Benevolent Institutions (PBIs)*:

PBIs do important work for the public good. The Fringe Benefit Tax Concession is intended to incentivise employees to work for PBIs, to improve the PBIs' ability to attract good employees, and ultimately to add to the public good created by those Institutions. Thus, it is in the national interest to improve the extent to which PBI employees benefit from the Concession.¹⁴

¹⁴ Zabar J & Jefferson B (2022) [Improving the utilisation of the fringe benefits tax concession by Public Benevolent Institutions](#), Tax and Transfer Policy Institute, Working Paper 13/2022.

Tax concessions enable more equal footing with for-profit companies

The Commission, in its Discussion Paper, has questioned whether the tax concessions available to charities creates an unfair advantage when compared with organisations that are not eligible to access them (through the concept of competitive neutrality).

It is inappropriate and simplistic to introduce competitive neutrality principles into the discussions regarding tax concessions because:

- Charities have the additional objective of achieving a public benefit that is not required of other organisations.
- NFPs experience disadvantages that other organisations do not including:
 - limited access to equity capital
 - inability to retract and retain specialist staff due to less competitive salaries
 - the challenge of reinvesting operating surpluses into charitable work that may not attract further growth or profit
- Competitive neutrality is affected by many economic factors specific to particular industries that cannot be readily or practically incorporated into a tax on business income.

The tax concessions under review contribute to the public good by supporting the work of charities; the ACNC, in ensuring compliance with the relevant legislation, ensures all registered charities are not-for-profit and only have a charitable purpose that is for the public benefit. Other organisations, such as companies, are not constrained by these limitations and as such are better placed to access capital and otherwise obtain funds from stakeholders interested in financial return on investment.

Further, any reduction in the costs of delivering support services to vulnerable people and communities should be viewed positively, because they enable the charity to do more work with the resources at hand.

An increase in revenue available to government generated by the eradication of such concessions is unlikely to cover the additional funds government would need to secure in order to fund the increased cost of service delivery and thus result in a potential reduction in service. We encourage the Commission to recognise the extent of the benefits that result.

Partnering with community groups and corporations to facilitate donations

Baptist Care Northern Territory operates as Foodbank NT. Philanthropic activity includes running food drives with local communities, such as schools, as well as corporate partnerships with organisations such as Woolworths to receive donations from customers and participating brands.

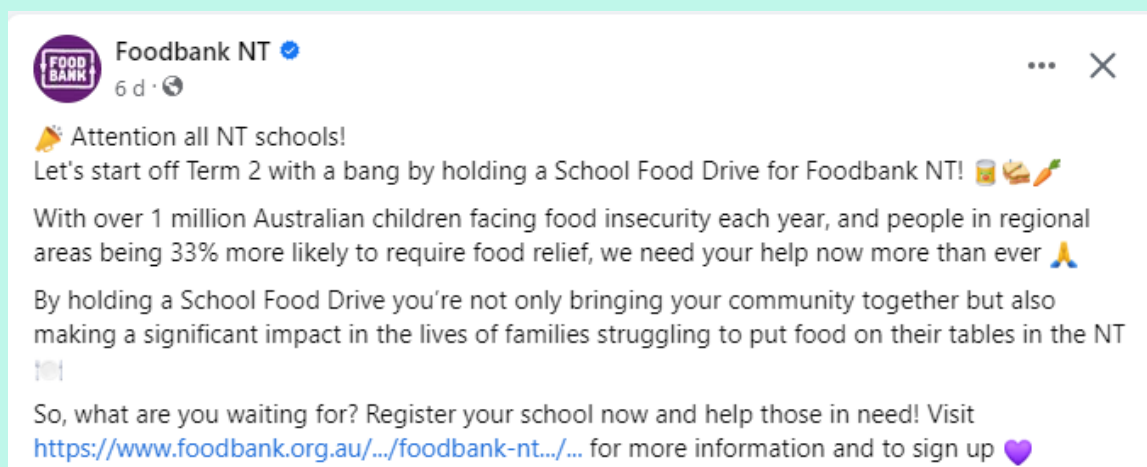


Image courtesy of [Foodbank NT](#) 28 April 2023

Consumer information

This section responds to **Information request 7** on the measures used by NFPs to assess and communicate how they perform against their objectives. We describe the types of information donors value and provide a case study of the use of Social Return on Investment to assess and report on such impact.

Donors value information that explains the impact of their contribution

Unsurprisingly, members report that donors value information that demonstrates the impact of their contribution. Common practice amongst members is to issue communication several times a year to donors outlining the impact of financial support and outcomes of other key events and activities. Depending on the size and nature of the donation, this type of information varies. For large grants of money that help fund a particular program of work, this may be detailed reporting on the program's operations and impacts. For smaller donations that contribute to operations, this may be a more general report on the organisation's operations and impact more broadly. For volunteers, the impact may be closer to the point of giving (so to speak), in that they may observe the impact of their efforts directly by observing the reaction of people to the help they are providing and experience a sense of satisfaction and achievement from their actions.

Quarterly magazine with updates on the organisation and its use of donations

Carinity – the Baptist care agency in Queensland – publishes a quarterly magazine updating clients, families and supporters on their work. This includes reporting on the use of funds raised in public campaigns.

Residents benefit from generous donors

Generous Carinity supporters have helped to bring more smiles to the residents of our aged care communities across Queensland. Donations to our 2022 Christmas Appeal have assisted Carinity to purchase one dozen new robotic companion pets for seniors in our care to enjoy.

Residents living in all 12 of Carinity's aged care communities now have access to the life-like therapeutic toys which sound and move like real animals.

The electronic dogs and cats, which respond to hugging and petting, have physical and psychological benefits for older seniors, including those living with dementia.

"Along with living therapy animals, robotic pets are becoming an increasingly common sight within aged care settings. This technology is bringing much joy to our residents," said Carinity Cedarbrook Residential Manager, Vijay Aulir.

"Studies have shown that these cats and dogs can enhance the wellbeing of older people. The companion pets can help to improve people's moods, communication, interaction with others, and can be a comforting presence.

"Some residents living with dementia who are unresponsive to other therapies may brighten up, pat and talk to the companion pet. Other users will reminisce about the animals they owned in their younger years, prompting them to share their own pet stories and happy memories."

According to Cassandra Donati, the Customer Service Coordinator at Carinity Summit

"Some residents living with dementia who are unresponsive to other therapies may brighten up, pat and talk to the companion pet."

Cottages in Mount Morgan, residents have been delighted to meet their new furry friend. "The cat has been a welcome addition to our community. The residents love her. They each have made up their own name for her," said Cassandra.

The generosity of Carinity's selfish supporters resulted in the recent Christmas Appeal being one of our most successful fundraisers in recent years.

The average amount gifted to the Christmas Appeal was \$10. An amazing 22 per cent of all donors contributed financially to Carinity for the first time.

As well as the purchase of robotic companion pets, money raised through the Christmas Appeal will support Carinity's chaplaincy programs and our youth and community services.

If you or someone you know wishes to make a financial contribution to Carinity, please visit carinity.org.au/donate or call 3850 2737.

Carinity aged care residents enjoy their new robotic companion cats, which were purchased courtesy of their donors.

Queensland: Debra Prior, Alana (Daisy) Irving, Ling and Margaret McInerney, Anne (Daisy) Irvine, Fran.

carinity.org.au 5

Image courtesy of Carinity "[Residents benefit from generous donors](#)," 30 March 2023

Social Return on Investment

Social Return on Investment is a form of benefit cost assessment that puts a dollar value on social benefits (and costs). In doing so, it can assess factors that are usually excluded from the standard analysis of the financial return on investment. It is a particularly useful tool to account for the positive social changes that not-for-profit and mission based organisations seek to achieve. It is not a simple process but requires substantial investment of time and money to develop and implement.












Using Social Return on Investment to communicate impact to funders

BaptistCare NSW & ACT has recently undertaken an analysis of the social return on investment for the organisation. In 2021-22, ACIL Allen estimates BaptistCare generated:

- \$2.22 for every dollar invested in service delivery
- An average net social impact of \$23,700 per client
- A total social impact of \$733 million from an investment of \$331 million

The analysis has been segmented according to service delivery streams to assist funders – which includes philanthropic supporters as well as government – to understand their impact.

Figure ES 2 BaptistCare SROI Results – Overall Summary

	Residential Care	Home Care	Retirement Living	Community Housing	Community Services	Total
						
 Service Cost Savings	\$24.7 m	\$34.5 m	\$2.4 m	\$10.2 m	\$0.7 m	\$72.6 m
 Economic Empowerment & Independence	\$259 m	\$141 m	\$3.1 m	\$2.4 m	\$13.3 m	\$418 m
 Family Support & Relationships	\$151 m	\$28.2 m	\$4.6 m	\$0.3 m	\$17.5 m	\$201 m
 Health & Safety Outcomes	\$1.6 m	\$2.1 m	\$7.0 m	\$0.8 m	\$15.0 m	\$26.5 m
 Connected Communities	ASSESSED QUALITATIVELY	ASSESSED QUALITATIVELY	\$10.7 m	\$3.0 m	\$0.3 m	\$14.0 m
Total Benefits	\$436 m	\$206 m	\$27.8 m	\$16.8 m	\$46.9 m	\$733 m
Social Return on Investment (SROI)	2.27	2.01	1.57	3.33	3.47	2.22
Net Benefit / User	\$145,900	\$10,900	\$12,300	\$19,500	\$7,700	\$23,700

Source: ACIL Allen

Figure 1: From ACIL Allen (2023) [Social Return on Investment of BaptistCare NSW & ACT](#).

Conclusion

Philanthropy remains a vital aspect of the operation and viability of charities in Australia as they work to create a better society. Opportunities to expand the interest of donors in contributing to causes that are making a positive impact in society are welcome. The aim of such tax incentives should be to support charities and other organisations in the not-for-profit sector to contribute to the community.

The ultimate purpose of philanthropy – to help people in need



Image courtesy of [Baptist Care South Australia](#) 21 April 2023