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Friday 9 February 2024

Philanthropy Inquiry
Productivity Commission
GPO Box 1428
Canberra City ACT 2601

Email: philanthropy@pc.gov.au

Re: Productivity Commission – Philanthropy Inquiry

The Australian Services Union ('ASU') is a union of 135,000 workers, and we are the union for workers in the social, community and disability services sectors, many of which are registered charities.

We support reforms that make it easier for Charities and Social Service Organisations to access DGR status. However, increasing philanthropic donations should not be the end in itself. We strongly consider that any measures to increase access to DGR status need to be directed to delivering more or better services to the broader community. And to do this we require a skilled and stable community sector workforce.

Any measures directed at increasing philanthropic donations to services should be paired with obligations on these charities to provide their workforce with permanent, secure, and fairly-paid jobs.

Underpayment scandals at DGR status charities like World Vision, The Smith Family, Parkerville, YMCA, RSPCA NSW and Australian Red Cross totalling millions of dollars highlights the direct link between insecure work, low paid work and underpayments¹.

Recently the Victorian State Government introduced a Fair Jobs Code for government-funded employers in the Community Services Sector.² The initiative promotes secure employment and job security, promotes fair labour standards, and encourages compliance with employment, industrial relations and workplace health and safety obligations.

¹ Australian Government response to the Australian Government Response to the Senate Economics References Committee report: Systemic, sustained and shameful: unlawful underpayment of employees' remuneration
<https://www.dewr.gov.au/download/15323/australian-government-response-senate-economics-references-committee-inquiry-unlawful-underpayment/33003/australian-government-response-senate-economics-references-committee-report-systemic-sustained-and/pdf>

² Victorian Government, About the Victorian Fair Jobs Code for the Community Services Sector [online]
<https://www.dffh.vic.gov.au/fair-jobs-code#:~:text=The%20CS%20Code%20is%20a,employees%20and%20their%20representatives%3B%20and>

Under the Code, suppliers and businesses bidding for government contracts will require a Fair Jobs Code Pre-Assessment Certificate to show a history of compliance with employment, industrial relations and workplace health and safety laws.³

Government should make any reform to DGR arrangements conditional on compliance with a similar federal Fair Jobs Code.

It would be a perverse outcome if government intervention to increase philanthropic donations led to the further proliferation of insecure and underpaid jobs in the community services sector. Government intervention should be squarely focussed on increases and improvements to community services, which requires a skilled, experienced and stable workforce.

We recommend that the Government should implement a Fair Jobs Code for organisations receiving beneficial taxation arrangements due to the nature of their important charitable work.

Yours faithfully

Emeline Gaske
ASSISTANT NATIONAL SECRETARY

³Victorian Government, The new Victorian Fair Jobs Code – promoting fairer jobs and recognising good employers [Online] <https://localjobsfirst.vic.gov.au/news/news-items/the-new-victorian-fair-jobs-code-promoting-fairer-jobs-and-recognising-good-employers>