

4 May 2023

To whom it may concern,

**RE: Submission to the Productivity Commission's Review of Philanthropy**

The Dawn Wade Foundation is a Private Ancillary Fund (PAF) established in 2017, with its roots going back to a PuAF of the same name created in 1984. It has built on a long legacy of giving from Dawn Wade and more recently from her son Darrell Wade. Recently, a third generation of the family has also joined the board as a director. We support eligible projects that focus on Environment, Education, Overseas Aid and Geelong causes. As a family foundation, we believe the biggest challenges of our time – climate change and the widening social equity gap – are global in nature and cannot be fully addressed within a national lens.

The Dawn Wade Foundation is making this submission because we believe in the power of philanthropy to tackle global challenges and the importance of having a DGR framework that would enable this without discrimination.

Our submission directly responds to items 1-3 of the Terms of Reference by:

1. Presenting the Dawn Wade Foundation's motivations for charitable giving
2. Highlighting opportunities to increase philanthropic giving and its potential impact, in particular, in the areas of international giving and;
3. Highlighting the current barriers to philanthropic giving, in particular, for PAFs seeking to donate to non-DGR1 charities.

**Limitations of the DGR Framework**

The Dawn Wade Foundation is a DGR2 that makes charitable donations to DGR1 entities that are registered with the ACNC as charities.

One of the topics of interest identified by the Productivity Commission is issues and opportunities for the DGR framework. As I see it, the current limitations imposed on DGR2s means that we are:

1. Unable to make donations to reputable international charities that are not registered DGR1s in Australia;
2. Unable to make donations to environmental charities that are not registered DGR1s in Australia despite their global importance.

One example is B Lab (B Corporation), a global movement for an inclusive, equitable and regenerative economic system. B Lab operates across 84 countries and is a 501(c)3 tax exempt organization in the US. However, B Lab Australia, despite being a not-for-profit, is not a DGR1.

In my other capacity as Chair of The Intrepid Foundation, I understand the resource-intensive regulatory requirements of managing multiple entities for a global not-for-profit. NFPs should be allowed to focus on delivering their core purpose. It shouldn't always fall on them to wear the burden of setting up and managing multiple entities to simply allow tax deductible donations across jurisdictions.

Furthermore, many urgent environmental issues – rising carbon emissions, climate change, loss of habitats and biodiversity - are global in nature and affect all of humanity. And yet, our existing DGR1 categories for international organisations (Overseas Aid (9.1.1), Disaster Relief Fund (9.1.2), and Public Benevolent Fund (4.1.1)) are outdated and do not adequately address the global climate crisis.

For example, one reputable environmental charity, ClientEarth, is creating systems change across borders. A registered charity in the UK, they are highly effective at delivering global solutions but miss out on the support from Australian donors who seek to make a global impact through their philanthropy.

If our DGR Framework can facilitate cross border solutions, Australian donors could be helping to solve some of the biggest challenges of our time.

Limiting donations from PAFs to Australian registered charities no longer aligns with the values of many families like my own. With just 10% of Australian donations going overseas we can do better to inspire and incentivise Australians who have an increasingly global mindset. Treating reputable international charities the same as Australian DGR1 charities will encourage more philanthropy and assist in achieving the Government's goal of doubling philanthropy by 2030.

### **Proposal**

The current DGR Framework is no longer fit for purpose in the 21<sup>st</sup> Century. Preferencing charitable giving to Australian causes benefiting Australians through unfair tax incentives will only result in further inequalities that discriminate against the most impoverished communities in the world, and those most impacted by the effects of climate change.

Through this submission we are recommending that the Productivity Commission take into consideration a revised DGR Framework that is:

1. More equitable for Australian donors, in particular PAFs, to give to non-DGR1 charities working overseas;
2. More equitable for Australian donors, in particular PAFs, to donate to global environmental causes that has a global impact.

Thank you for the opportunity to make a submission on this important matter.

Regards,

Darrell Wade