



## **Submission by the Rationalist Society of Australia to the Productivity Commission's draft report**

**February 2024**

This is a formal submission by the [Rationalist Society of Australia](https://www.rationalist.com.au) – Australia's oldest freethought organisation promoting reason, evidence-based policy and secularism – in response to the Productivity Commission's recommendations in its draft report, *Future foundations for giving*.

We welcome the Productivity Commission's recommendations, in particular those in relation to providing a "more transparent and consistent approach to regulating basic religious charities" (BRCs) and removing Deductible Gift Recipient (DGR) status for charities whose activities do not "generate net community-wide benefits", including all activities in the subtype of 'advancing religion'.

In this submission, we will focus on the two main issues that we raised in our initial submission last year.

### **Basic Religious Charities**

We welcome the Productivity Commission's recommendation (7.1), calling on the federal government to remove the concept of 'basic religious charity' and associated exemptions from the *Australian Charities and Not-for-profits Commission Act 2012 (Cth)* so that:

*"...all charities registered with the Australian Charities and Not-for-profits Commission have the same governance obligations and reporting requirements proportionate to their size."*



We agree – and believe most Australians would – with the Commission’s assessment that the removal of these “unjustified reporting exemptions” to governance and reporting standards would serve to enhance “public transparency and accountability” in the charities system.

We are pleased that the independent commission has listened to the concerns of the public and recognised the need for these reforms. The adoption of this recommendation by the government would enhance the integrity of the charities system and boost public confidence in it.

Since the release of the Productivity Commission’s draft report, [there has been some political commentary](#) in the media suggesting that the scrapping of the BRC category – and the associated exemptions to financial reporting and government standards – would “increase red tape and reporting requirements” on religious charities.

However, we understand that, according to recent research, it is *not true* that such a change would increase the administrative burden for those charities that currently have BRC status.

Since we made our initial submission to the Productivity Commission last year, Dr Phil Saj, of the Adelaide Business School at University of Adelaide, has shared with us his extensive research into BRCs. In a presentation at [one of our RSA Webinars](#), he revealed that the overwhelming majority of BRCs operating through a denominational frameworks are already subjected to *far more onerous* financial reporting requirements within their faith network than are required of charities under the *Australian Charities and Not-for-profits Commission (ACNC) Act*.

During that webinar, he said that, under the ACNC Act, small charities only need to report 12 line items of financial information. In comparison, small BRCs reporting within their denominational frameworks are already required to submit up to 30 lines of financial information. So these BRCs could very easily also submit this information to the ACNC.

Certainly, many of the larger BRCs – with Dr Saj estimating approximately 17-18 per cent of BRCs being ‘medium’ (revenue about \$250,000) or ‘large’ (revenue above \$1



million) in size – would not be greatly burdened by the requirement to provide annual financial information to the ACNC.

Also, Dr Saj’s research has revealed that ‘small’ BRCs – mostly churches and parishes – have *greater* paid and volunteer human resources deployed compared to other small charities that are not BRCs. Thus, they would also have more than enough capability to meet the financial reporting requirements and governance standards that apply to all other charities.

## **‘Advancement of religion’**

We are disappointed that the Productivity Commission did not recommend removal of ‘Advancement of religion’ as a recognised charitable purpose. Given this, we urge the Productivity Commission to now recommend that the government introduce a new charitable purpose for the purpose of advancing non-religious worldviews (encompassing atheism, humanism, rationalism and similar secular beliefs).

The current arrangements unjustifiably discriminate against non-religious worldviews on the grounds of belief, providing official support for the advancement of *religious worldviews* while excluding non-religious worldviews. Clearly, these arrangements prevent the *equal opportunity* for non-religious Australians to participate in the charitable sector. Non-religious community groups – such as atheists, humanists, and rationalists – are excluded from enjoying the *same treatment* in regards to advancing and promoting their particular worldviews as a charitable purpose in and of itself.

In the Productivity Commission’s draft report, the commission argued:

*“Religious faith and values can also provide important inspiration for undertaking a range of charitable activities. For some people, undertaking activities such as helping those in need is how they put into practice their religious beliefs and values within the community.”*

But non-religious people are equally inspired and driven by their beliefs and values in contributing to charitable activities. What is more, non-religious people do so without the lure of rewards or fear of punishment from an external being.



[Research by Neil Francis \(2023\)](#) provides a more nuanced picture of the volunteering and charitable giving habits of religious people in comparison with non-religious people. While religious people volunteer and give more than non-religious people, this occurs largely within *their own* religious congregation. In addition, those donating to religion report high levels of donating for *personal benefit* and are unlikely to believe their donation will help *unknown others*. They also show an “extremely elevated rate of feeling coerced” (54 per cent for congregational giving versus 3–12 per cent in all other sectors).

There is no justification under international law for differential treatment of religious and non-religious worldviews. Article 18(1) of the International Covenant on Civil and Political Rights states: “Everyone shall have the right to freedom of thought, conscience and religion. This right shall include freedom to have or to adopt a religion or belief of his choice...” In 2018, the Ruddock inquiry into religious freedom in Australia emphasised that freedom of thought, conscience and religion “is a right enjoyed by all, not just those of faith”, and protects “those who live a life of faith and those who live by other beliefs or, indeed, no beliefs.”

As we noted in our initial submission to this public inquiry, Australians are increasingly rejecting religion and adopting non-religious worldviews, with the moral and community values they entail, to guide their lives. At the next Census in 2026, with the [ABS proposing to remove the inherent bias in the religion question](#), the proportion of Australians identifying as *not religious* could reach and even surpass 50 per cent of the population. Thus, with a majority of Australians likely to be non-religious within a couple of years (according to the Census), the addition of a charitable purpose for advancing non-religious worldviews could be expected to support the growth of philanthropy while removing the religious-based discrimination in the current arrangements.

As we argued in our initial submission, we believe that charity status should be afforded to all organisations that conduct genuine charitable works for the *public benefit* in an accountable manner, regardless of whether that organisation is religious or not. If some charities continue to not be required to demonstrate any objective public benefit because they operate under the ‘advancement of religion’ charitable purpose, then, at



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the very least, the same rules should apply to organisations promoting non-religious worldviews.

***Recommendation: We urge the Productivity Commission to reconsider its position not to recommend removal of the ‘advancement of religion’ charitable purpose. If the Productivity Commission maintains its position, however, the Commission should take the opportunity to recommend that the government create a new charitable purpose for the advancement of non-religious worldviews (encompassing atheism, humanism, rationalist and similar secular beliefs).***

Regards,

**Dr Meredith Doig,  
President, Rationalist Society of Australia**