

# CatholicCare Sydney's submission to the Productivity Commission to double giving by 2030

## Double Giving by 2023

CatholicCare Sydney supports and endorses Philanthropy Australia's submission to the Productivity Commission into Australian Philanthropy – A Strategy to Double Giving by 2023.

CatholicCare Sydney supports key initiatives that will enhance collaboration between government and community to drive innovative social impact including;

### 1. A policy environment that fosters giving

The 2022 Global Philanthropy Environment Index shows Australia's environment for encouraging philanthropy ranks 19<sup>th</sup> in the world – at 4.27 out of 5 – below a group of advanced economies with scores in the 4.5-5.0 range, which are Belgium, Denmark, Finland, France, Germany, Liechtenstein, Netherlands, Norway, Singapore, Sweden, Switzerland and the United States. We can create the environment to double giving by:

**1.1 Superannuation bequests:** With super balances at death set to reach at least \$130 billion by 2059 (in 2018-19 dollars), giving Australians the choice through their super arrangements to leave some money to charity when they die (and abolishing the tax penalty for doing so) would unleash tens of billions for charity. This reform is by far the most powerful lever we have to lift giving. It is highly cost-effective as such giving does not attract a tax deduction.

**1.2 DGR for all registered charities, not just half:** As the PC recommended in 2010, all of Australia's charities (almost 60,000 organisations) should have DGR status (allowing the public to donate and get a tax deduction). All policy institutions freely admit the rules that permit one charity to get DGR status (e.g. direct poverty relief), but may disallow another (e.g. preventing poverty) were developed in an ad hoc manner with no clear policy rationale. The policy purpose of providing tax incentives to encourage giving is to support charitable activities that provide a positive public benefit. All charities do this, so all should be given DGR status, which would boost the funds they can attract for their important work. It would cut red tape for government and charities, and bring us in line with nations like the US, UK and New Zealand where giving is higher than in Australia.

**1.3 An option to donate at tax time:** Providing Australians with a choice to return some or all of their tax return to charity as part of the tax return process could embed in our culture a valued national custom, where every year we consider providing support for people in need when we can afford to do so. With around \$30 billion being returned from income taxes each year, this prompt could provide billions in additional funds to charities.

**1.4 A strategy to drive the growth of Australia's Community Foundation (CF) network:** With people keen to get involved locally, a particular opportunity is to grow the national CF network, so that over time, the vast majority of Australians have a local foundation they can get involved with. This would have a powerful impact in expanding national giving, community participation, social capital, and support for Australians in greatest need.

This would unlock new opportunities for government-charity-philanthropy collaboration to drive impact. Local MPs can work to ensure their electorates have CFs and then work with local communities to better understand and address local needs. Over time, a national CF

network will become powerful national architecture, allowing government and local communities to work together to address challenges suited to local solutions.

**1.5 Enhancing the Effectiveness of Ancillary Funds:** Allowing funds to distribute to other ancillary funds would facilitate higher value giving, such as where a PAF wishes to give to a PuAF – such as a community, arts, or hospital foundation - operating closer to the ground, and better able to target money for maximum impact. More scope to 'spread' their minimum distributions over 5 years would lift the impact of giving by creating more scope for larger, transformative projects. Providing certainty over the valuation of unlisted shares could unleash millions from Australia's rapidly expanding suite of new technology firms.

**1.6 Fix Fundraising:** Creating a single national fundraising regulation regime – to replace the seven different State and Territory sets of rules – would cut costly and time-consuming red tape and enable more funds to go where they are needed most – helping people in need. Now is the time to capitalise on recent momentum for reform, ending what has been government failure lasting decades that cost charity \$15 million a year - money which should be going to support people in need. The PC 2010 report recommended this reform.

**: Encouraging Later-in-Life and Legacy Giving:** While \$2.6 trillion is set to be passed between generations over 20 years to 2040 – a huge opportunity – at present only around 7 percent of Australians are leaving bequests in their wills. An incentive to make a 'living' bequest, as exists in leading countries that donate more of their national income to charity, could make a huge difference. We recommend the PC undertake: policy design work aimed at delivering maximum benefit: cost from establishing a Living Legacy Trust structure, drawing on previous work and advice from interested philanthropists; and consider alternative means to encourage later-in-life giving and bequests when people are better positioned to give, but relatively few do.

## Creating a more giving and generous giving culture

CatholicCare Sydney currently has two programs that focus on learning about the value of giving as well as learning to walk in the shoes of others.

**Gift of Goodness** – is run across 154 Sydney Catholic Schools to raise funds for people in the community in need. Stories about people in need in the community are shared with students to raise awareness and empathy for others in the community who may be needing support. The program encourages creative approaches to raising money igniting a passion for social justice, impact and purpose in the next generation.

**Solidarity** – school students attend our Disability Program with our clients who have an intellectual or physical disability. They walk alongside our clients interacting and learning from them. This introduction to disability clients helps remove the barriers and stigmas people with disability face and for the students, enhances their understanding of diversity, inclusion and dignity for all members of our community.

## CatholicCare Sydney

CatholicCare Sydney (CCS) is a not-for-profit social welfare agency.

We help people that are in the most vulnerable situations, who are facing unexpected crisis or long-term disadvantage across Sydney.

CCS has been successfully delivering community programs for over 80 years. With over 70 programs geographically focused across Sydney including South-West, Inner West, Central Eastern Sydney; we address significant issues including disadvantage, addiction, homelessness, ageing, mental health concerns and disabilities.

Our programs are accessed by all age groups, cultural backgrounds and **faiths**. Beneficiary groups include infants, children, youth and adults, including seniors from a wide range of communities including Culturally and Linguistically Diverse and Refugee communities.

Our other work includes:-

- Government-backed telephone support and education for NSW parents (Parent Line) and counselling support for unpaid carers across the country (Carers Gateway Counselling Service and Community Forum) as well as people addicted to gambling (GambleAware) plus a support service to help club patrons and staff with financial issues, gambling concerns, alcohol and drugs, financial issues, loneliness and isolation (ClubCare).
- School Counselling across all 156 Sydney Catholic Schools
- Counselling - family dispute resolution, addiction support, financial abuse recovery support
- Home Care support for ageing Australians wishing to remain in their own homes.
- Disability Services – creating life skills, training and supported work opportunities for people living with intellectual disabilities
- Chaplaincy programs in prisons, hospitals and mental health units Accompaniment for people exiting prison or health facilities (Companions Matter)