

29th January 2024

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Philanthropy Inquiry
Productivity Commission
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Online submission: www.pc.gov.au/inquiries/current/philanthropy

Productivity Commission – Response to draft report

Thank you for the opportunity to provide further comment on Government’s commitment to working with the philanthropic, not-for-profit (NFP) and business sectors to double philanthropic giving by 2030.

About Community Industry Group

Community Industry Group is the peak body working for community services and organisations in southern NSW. We support community organisations, promote expertise and innovation in community development, foster industry development and advocate for social justice.

For 30 years, Community Industry Group (CI Group) has taken a leadership role in the local community services sector. We regularly engage with those organisations, services and individuals who work with disadvantage and vulnerable children, families and communities. We also advocate on behalf of community organisations and vulnerable communities to raise awareness of the issues which are impacting service delivery and affecting the lives and outcomes of disadvantaged communities.

Community Industry Group has welcomed the opportunity to comment on the Australia Government commitment to working with the philanthropic, not-for-profit (NFP) and business sectors to double philanthropic giving by 2030. Our responses to the draft report Future foundations for giving are in the pages to follow. I am happy to provide any further information as required.

Feedback

CI Group welcomes the draft recommendations aimed at establishing firm foundations for the future of philanthropy and ensuring the benefits of giving continue.

Further to our [earlier submission](#), we wanted to commend the Productivity Commission for the draft report and provide our insights and further feedback.

While broadly we support the measures outlined in the draft report, there are several points on which we wish to offer feedback.

These are:

We welcome the recommendation that the Australian Government support the establishment of an independent philanthropic foundation controlled by – and for the benefit of – Aboriginal and Torres Strait Islanders.

We reiterate that while CI Group is supportive of the Philanthropy Australia definition, we also note that advocacy should be recognised as an activity which improves the wellbeing of humanity and the community. Advocacy in its truest form is a legitimate public benefit, especially when aimed at promoting common good and serving the public interest. Non-profit organisations and charities often engage in advocacy activities to help amplify the voices of marginalised communities, raise awareness about important issues, and bring about positive change in society. We would welcome any changes to the Future Foundations report recognising this.

CI Group maintains our position that philanthropy should not be relied on to provide services and supports that government should be delivering to its citizens. Governments still have a vital role to play in our communities and have the responsibility to ensure that all members of society have access to basic needs and services, regardless of their ability, income or social status. This helps to promote social equity and reduce inequality and ensures that everyone can reach their full potential. Government funding for social programs is often essential to support vulnerable individuals and families, who may not have the resources to access these services on their own.

Notwithstanding that, we recognise that government funding for social programs can be limited, and there are often competing demands for resources. Government at all levels should work collaboratively with community organisations and other stakeholders to develop and implement social programs that are responsive to local needs and priorities.

We welcome the Government's considerations and proposals to make the DGR system fairer and simpler, and to changing the set of charities eligible for DGR to be more diverse, allowing advocacy organisations and multidisciplinary charitable organisations eligibility, as this will greatly benefit regional organisations who so often "wear more than one hat". We also welcome the increased access to DGR status for smaller charities who depend on volunteers and have few or no paid staff.

CI Group broadly supports the reforms aimed at making deductible gift recipient (DGR) system simpler, fairer and more consistent as non-profit organisations and charities traditionally and typically rely on donations of time, talent, and money from individuals and organisations to support their activities and achieve their goals. These donations are crucial to the success of NFPs and charities as they often have limited funding and resources, and frequently excessive demand.

CI Group does, however, have concerns about the Government's intention to withdraw DGR status from non-government primary, secondary, childcare, aged care, and other religious organisations hindering choice of education, educational outcomes and perhaps unforeseen pressures on the public school system.

CI Group would like further Tax concessions, other than those available under the Deductible Gift Recipient (DGR) framework, considered in the final report, as these can play an important role in supporting the operation of not-for-profit organisations and philanthropy in Australia.

- **Fringe Benefits Tax (FBT) Concessions.**
Important for the ongoing sustainability of non-profit organisations.
- **Goods and Services Tax (GST) Concessions.**
Important for the ongoing sustainability of non-profit organisations.
- **Capital Gains Tax (CGT) Concessions.**
Play an important but limited role in supporting the operation of non-profit organisations.
- **Deductions for Donations to Heritage Organisations.**
Very specific and limited.

CI Group recognises the important role the Australian Charities and Not-for-profits Commission (ACNC) plays but believes ACNC should play a greater role as a central repository for financial reporting purposes, to cut the administrative burden from charities and not for profits at reporting time. While acquittal of funded programs should always remain with the appropriate funded department, NFP organisations are frequently required to report the same information to funding bodies as has already been provided to the ACNC.

For instance, many funding bodies require annual reporting of key personnel such as Board members and Chief Executive Officers, and copies of audited financial statements. However, Charities and NFPs are already reporting this to the ACNC, and the information is publicly available on the ACNC website.

CI Group believes that once an organisation has reported key governance and financial information to the ACNC, that should be sufficient to cover organisational-level reporting obligations for all government funding programs.

In response to the Government's further Information Request 6.2, CI Group reiterates our initial position that the collection by charities of information in things like volunteerism, and other non-financial activities should be designed to balance the benefits of data with the costs of collection, while also considering the privacy concerns of donors and other stakeholders.

Thank you again for the opportunity to comment on the draft report.

Yours sincerely.

Nicky Sloan

CEO