



RECONCILIATION
AUSTRALIA

Reconciliation



NSW



ReconciliationWA



Reconciliation
Tasmania



RECONCILIATION
QUEENSLAND



RECONCILIATION
SOUTH AUSTRALIA

16 February 2024

Productivity Commission
Ngunnawal Country
4 National Circuit
Barton ACT 2600

Dear Commissioners,

The Australian Reconciliation Network (ARN) is pleased to provide a response to the call for submissions on philanthropic giving. The ARN network comprises six state and territory reconciliation organisations that operate alongside the national body, Reconciliation Australia. Each state member operates separately as a not-for-profit (NFP) organisation leading the reconciliation movement in each jurisdiction. We are united under a formal terms of reference to engage, collaborate and coordinate across Australia.

We acknowledge and value our relationship with Reconciliation Australia who have been a DGR-enabled organisation since 2000 through legislative provisions.

Each NFP organisation functions as separate member-based entities, with a volunteer board to guide strategy and governance. Together we lead the reconciliation movement between Aboriginal and Torres Strait Islander people and the wider community across Australia. The five dimensions of reconciliation are drivers for change focused on, Historical Acceptance, Institutional Integrity, Unity, Race Relations and Equity and Equality. Our efforts are channelled through leadership, education, advocacy, and national reconciliation initiatives.

We note the inquiry has been established to understand trends in philanthropic giving, the underlying drivers of these trends, and to identify opportunities and obstacles to increase such giving. We note the inquiry will make recommendations to address barriers to giving and harness opportunities to grow it further. In short

1. Focusing on tendencies and motivations for charitable giving
2. Opportunities to increase philanthropic giving and the extent of potential impact.
3. Examine current barriers to philanthropic giving.
4. Consider appropriateness of current sources of data related to philanthropic giving.
5. Examine the tax expenditure framework that applies to charities.
6. Identify reforms to address barriers or harness opportunities to increase philanthropy.

Our submission emphasizes the need for a modern and streamlined, refocused deductible gift recipient (DGR) system that ensures equitable and consistent outcomes for donors, charities, and the community.

In the past, some of the ARN NFP groups have individually and unsuccessfully applied for DGR status, with some updating constitutions to accommodate the existing rules. It is our view we are disadvantaged by not being able to access the philanthropic environment and build relationships and ongoing partnerships with groups who give generously to DGR organisations.

It is our collective view that if each of the organisations received DGR status it would;

- Create opportunities to build relationships with donors and benefactors and establish relationships at a state level to direct funds into areas of high priority and relevance.
- Improve the individual organisations financial sustainability and strategic growth to grow the reconciliation movement.
- Support increased engagement on ground in regional and remote locations employing Aboriginal and Torres Strait Islander staff and Non-Aboriginal and Torres Strait Islander staff to achieve outcomes benefiting all Australians.
- Increase each organisation's ability to collaborate closely with our extensive, reconciliation-committed local networks, thereby fostering vital local programs that drive reconciliation at a grassroots level. Current initiatives such as Anti Racism training, Education and Awareness raising can be amplified in the broader community and into regions with more investment.
- Expand and professionally coordinate our volunteer bases, amplify local and state-oriented communications, social media, and advertising campaigns, and enhance the reconciliation movements credibility and visibility.

In addition to the DGR reforms, we strongly urge the Productivity Commission to consider reviewing access to Public Benevolent Institutions (PBI) status. Currently, this status is only accessible to organisations that can demonstrate they provide benevolent relief to people in need.

While the state groups do not provide direct financial benevolence to individuals and organisations, at a state level we individually strive to ensure marginalized and disadvantaged groups in Australia achieve greater social and economic outcomes through support, community engagement, education programs, and advocacy. We do this work frequently alongside other organisations who do provide direct financial benevolence.

Support for Reconciliation Action Plans have had demonstrable impact on Aboriginal and Torres Strait Islander people, particularly through employment and procurement from Aboriginal and Torres Strait Islander businesses.

NFPs typically cannot offer the same level of remuneration as the corporate sector or those NFPs offering a salary sacrificing option, nor can they employ large numbers of staff. The disqualification of some charities from achieving PBI status has led to competition in attracting and retaining quality staff. A PBI status allows organisations to attract and retain a higher

calibre of employee by offering benefits such as salary sacrifice which can make up a shortfall in annual salary.

A combined DGR/PBI status would enable NFP organisations and charities to better attract and retain quality personnel through valued employee benefits like reduced taxable income, an increase in take-home pay, and contributions toward cost-of-living pressures.

The ARN alliance is a strong collective of individual organisations with a common purpose to create a safe and reconciled Australia. Post referendum the workload in each jurisdiction has amplified as allies seek more support and advice, and others emboldened by the 60% no vote push for removal of acknowledgments and welcome to country events, removal of flags and other repeals. We can attest to an increase in racism at all levels and a collective grieving from communities across Australia. We find ourselves in a challenging situation that we respectfully request you to consider supporting us to rectifying.

Thank you for your attention to this matter.

Australian Reconciliation Network – Reconciliation Australia, Queensland, New South Wales, Victoria, Tasmania, South Australia, and Western Australia.