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To the Commissioners  
Productivity Commission, Australia  
24 April 2023

### **Submission: Philanthropy Inquiry**

Thank you for the opportunity to make a submission.

The Medical Association for Prevention of War is a registered charity. We are the founders of the 2017 Nobel Peace Prize Laureate, the International Campaign to Abolish Nuclear Weapons, and the Australian affiliate of the 1985 Nobel Peace Prize Laureate, International Physicians for the Prevention of Nuclear War. We are a national organisation of health and medical practitioners, working for global health through the promotion of peace and prevention of war.

#### **1. Deductible gift recipient (DGR) framework as a barrier to philanthropic giving.**

The Productivity Commission's *Contribution of the Not-For-Profit Sector, Research Report, 2010*, recommended the Commonwealth Government to progressively widen the scope of DGR status to include all endorsed charitable institutions and funds (Recommendation 7.3).

The 2013 Not-For-Profit Sector Tax Concession Working Group also supported the recommendation.

DGR status is an important consideration for individual donors, and is often a requirement for major donors and philanthropic trusts and foundations. Charities without DGR status are therefore excluded from access to a potential donor pool and sources of vital funding; donors and trusts who wish to support a broader range of charitable purposes are prevented from giving.

**Recommendation:** We urge the current inquiry to build on previous recommendations, and progressively offer DGR status to all charities registered by the Australian Charities and Not-for-Profit Commission.

AFFILIATE



FOUNDER



## **2. Alignment of DGR framework with public policy objectives and the priorities of the broader community.**

Current DGR categories do not adequately capture the diversity of the Australian charity sector, or reflect contemporary priorities of the Australian community. While there are many categories of DGR, many vital issues - like peace and the prevention of war - are not adequately represented.

Additionally, some DGR categories apply extremely narrow or outdated definitions to establish eligibility for DGR status. For example, Health Promotion charities must promote prevention or control of disease, where disease is defined using narrow biomedical terms.

This definition does not reflect established approaches to Health Promotion, for example the World Health Organisation Ottawa Charter for Health Promotion, adopted in 1986, which defines health promotion as:

“..the process of enabling people to increase control over, and to improve, their health. To reach a state of complete physical, mental and social well- being, an individual or group must be able to identify and to realise aspirations, to satisfy needs, and to change or cope with the environment.”

Further, the Ottawa Charter establishes that health promotion with the purpose of improvement in health “requires a secure foundation in... basic prerequisites”, including peace.

While our charity works to promote health through education and advocacy for the “basic prerequisite” of peace and prevention of the harms of war and armed conflict, we are excluded from the Health Promotion category because of the application of an outdated disease model of health.

**Recommendation:** We recommend that progressively extending DGR status to all charities registered by the Australian Charities and Not-for-Profit Commission will prevent outdated category definitions from hindering charities access to DGR status, and more effectively align philanthropic giving with our most pressing contemporary issues.

## **3. Harness opportunities to increase philanthropy.**

Charities and donors would mutually benefit from amendments to the Charities Act to clarify that advocacy in furtherance of a charitable purpose is itself a charitable purpose.

Ambiguities in the law and regulatory environment cause confusion about advocacy by charities, and inhibit philanthropic support for advocacy. A 2023 report from the Stronger Charities Alliance found that a majority of charities reported that donors were reluctant to fund advocacy because of issues including the lack of legal clarity, such as when or if advocacy can be construed as a political purpose<sup>1</sup>. For charities, advocacy is a vital tool in the advancement of charitable purpose, as advocacy helps address systemic issues which can achieve lasting change.

Clarity about the role of advocacy to advance a charitable purpose would provide new opportunities for philanthropic giving.

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<sup>1</sup> Stronger Charities Alliance, *Voices for Change: researching NFP advocacy in Australia* (2023)

**Recommendation:** We recommend that the Charities Act be amended to clarify that advocacy in furtherance of a charitable purpose is itself a charitable purpose and that no weighing of benefit or detriment is therefore required in relation to the outcome of that advocacy.

**Please direct inquiries or requests to:**

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