

Submission: Productivity Commission Philanthropy Draft Report

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The very large number of philanthropic activities and organisations is indicative of the need for such and they enjoy widespread support across all communities. Their continued existence (and increase) is evidence that they are an important dynamic in fostering adhesion and wellbeing across all members of the community. If financial incentives were withdrawn, then in many instances it would require the government to become responsible. In such a case, the total of tax concessions withdrawn would be negligible when compared with what the government would then need to find to meet the short fall.

Consider an example:

From 2018 to 2022 there has been an increase of 16.4% in non-government school enrolments compared with 1.9% for government schools. This indicative of the willingness of many in the community to be prepared to contribute for the benefit of many in the community with a saving to the government. In its report, the Commission states concerning philanthropy “there is a rationale for taxpayer support because the activity is expected to generate net community-wide benefits and would otherwise likely be undersupplied by the market. With more than one third of school enrolments being in non-government schools and increasing at a rate greater than government schools, it is apparent that a wide section of the community is benefiting from the philanthropy associated with these schools.

Yes, there is a need to review the criteria for determining if an organisation or an activity is philanthropic.

We have seen major organisations take up funding issues where there is clearly not wide spread benefit to the community but to a limited segment of the community. The community had no say in this and have to accept it. This is different from an organisation which declares it is basically there to be philanthropic and people can choose whether to contribute to that or not.

People may make their donation to some cause but not have and detailed knowledge of the cause or become involved. They may not agree with all of its aims etc and actions but sees merit in some aspects but no desire to nor be expected to agree with all aspects. Donations to political parties is an example.

If philanthropy is handicapped, then many of this type of donor will cease to contribute meaning that in some instances the government must take up the slack if the community is continue to benefit.