



**Submission to Productivity Commission on
Future Foundations for Giving Report Recommendations**

The Co-Chairs and Board of Reconciliation Tasmania wish to thank the Productivity Commission for their work into producing the *Future Foundations for Giving* report and the opportunity to make a submission. As a small, non-DGR registered charity, we are acutely aware of the difficulties to attract donations and welcome the report's recommendations.

As a member of the Australian Reconciliation network (ARN – comprising 6 state reconciliation councils and Reconciliation Australia), several of our state councils have been working collaboratively over several years attempting to navigate the complex and opaque current DGR system. Expert assessments concluded that few avenues are available to charities such as ours which operate primarily in the fields of advocacy, education and facilitation. We therefore welcome the report's conclusions that the current DGR system is not fit-for-purpose and requires reform and simplification.

Agreeing with the comments from the Australian Council of Social Service (pp15), we strongly believe that the current DGR categories do not reflect contemporary charity sector work. Creating a simpler, more efficient DGR system, whilst broadening the scope and diversity of eligible charitable entities, as stated in the report, are reforms we would wholeheartedly support.

Reconciliation Tasmania has previously lodged two unsuccessful applications for PBI/DGR status with the ACNC, requiring considerable time and resources. On both occasions our expectations were low because the nature and diversity of our charitable work were not recognised by the narrow definitions of benevolence embodied in the current system. It felt as though we were attempting to mould the scope of our activities to meet eligibility rather than our work being assessed on its charitable merits.

Broadening the scope of DGR eligible charities to include those that engage in advocacy work, multiple activities and those that support groups of people, would be welcome reforms, as would easier access for smaller organisations, such as our own.

The report's findings that the inclusion of a more diverse set of charities with DGR status will 'spur innovation and dynamism' and lead to a 'more vibrant charitable sector' can only be viewed positively. As can the conclusion that over the medium and longer term this will bring greater benefits for donors and beneficiaries.

Similar to our partners across the ARN, Reconciliation Tasmania operates largely in the advocacy, education and facilitation spaces. We seek to promote greater understanding and acceptance of the shared history of Aboriginal and non-Aboriginal people across Tasmania, alongside collaborative advocacy work with Aboriginal people and communities and facilitating opportunities for bringing Aboriginal voices and culture to wider audiences. Our work is directly targeted at benefiting the whole of Tasmania's community in fostering greater understanding and unity.

As the tone of the debate and result of last year's Voice Referendum demonstrated, there is much work to do in advancing reconciliation across Australia. Without consistent effort into this critical work, it will be a loss to the growth of our nation. The work of Reconciliation Tasmanian and our ARN partners may not meet current DGR categories, but we argue that it is reflective of contemporary charitable work benefitting all of community.

Without DGR status, attracting donations on a regular basis and at any scale is inordinately difficult for our organisation. As the report notes, 80% of all donations across Australia go to large charities carrying DGR status. Without being able to offer tax deductibility, we are limited in how we can procure funding and grow our capacity. With a very small staff and reliance on volunteers, much of our energy is consumed by administration, meaning we are limited in the reconciliation work we can do across the state and with the public.

Extending DGR status to charities such as Reconciliation Tasmania will not only provide more choice for donors and, in doing so, increase our capacity, but will allow our programs to reach more Tasmanians, allowing the normalisation of reconciliation concepts and actions over time.

Based on our previous experiences seeking to engage the DGR application system, we strongly support 'Draft Finding 5.1'

1. Simplifying the DGR system and broadening its scope will bring the system into alignment with the realities for how today's charitable sector operates and create a fairer, more representative and effective sector with benefits for all of society. Many net benefits for our communities and government.

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8 February 2024

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