

Productivity Commission: Future foundations for giving Draft report: Submission from The Royal Societies of Australia

The not-for-profit Royal Societies have been the pioneering science research and education bodies in Australia for over 150 years. These Societies aim to advance knowledge generally across all disciplines, generate local, often smaller scale, research of benefit to all Australians by filling gaps in Australia's 'big ticket' research programs, provide non-partisan evidence-based contributions to public and private decision making, encourage greater participation in citizen science activities and provide a platform for early career researchers to publicise their work.

Most simply, the Royal Societies are competent providers of many public goods that are not available in the commercial marketplaces, that complement the sector-based work generated by industries, and that avoid the reductionism or silo or short-term approaches prevalent in much industry and university research. Many Royal Society activities are akin to the 'new and blue-sky research ... not yet competitive for larger government grant schemes' referred to favourably in the draft report (in the medical research context) at page 9. We understand from page 188 of the draft report that the Royal Societies' research related activities would remain within the DGR system.

The Royal Societies can increase their activities and consequential value to the community with simplified and extended pathways for access to government and private funding. The Royal Societies easily meet the tests proposed in Chapter 6 of the draft report:

- 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
- there are net benefits from providing government support for the activity through subsidising philanthropy using a tax deduction for giving (as opposed to other government funding mechanisms, like grants)
- the activity is unlikely to create a material risk that tax-deductible donations can be converted to private benefits for donors.

It is anomalous that the Societies are not already treated the same as public universities, with the DGR endorsement (or its future equivalent) applying to the entities as a whole rather than eligibility being confined to specific activities they may undertake. It is odd that it was ever thought that the activities could be undertaken without separate management resources – these activities are not self-implementing. As indicated in the draft report (page 7), not-for-profit organisations have 'administration costs – those fixed, core expenses that enable a charity to

operate.' Therefore the current arrangements hinder realising the full potential value of Societies' activities.

The Royal Societies of Australia supports the proposed recommendations to reform the DGR system.

Contact

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