



Productivity Commission: Philanthropy inquiry

Submission from GoodCompany Enterprises and
the GoodCompany Foundation
Thursday 4th May 2023

Introduction

My name is Ash Rosshandler. I'm the Founder and CEO of GoodCompany, which comprises two entities:

- GoodCompany Enterprises (a social enterprise).
- GoodCompany Foundation (an Australian DGR registered Public Ancillary Fund (formally known as the Karma Currency Foundation)); and

this submission is made on behalf of both GoodCompany and the GoodCompany Foundation.

The GoodCompany mission is *to connect those who can give; with those in need - to bring out the best in everyone*. To achieve this, GoodCompany has built Australia's largest SaaS Workplace Giving Platform designed to enable companies and staff to donate, volunteer and fundraise for the charities closest to their heart. GoodCompany partners with some of Australia's largest companies like ANZ, Optus, Origin Energy, CSL, Mirvac and Medibank, connecting them to over 1800 of Australia's most renowned and loved charities.

Since being established in 2000, GoodCompany has helped facilitate over \$40m in donations and over 250,000 hours of volunteering. More information on GoodCompany, and the GoodCompany foundation, can be found on the [GoodCompany website](#).

As a leader in the social sector our innovations include Australia's first Charity Gift Card and Australia's first online Workplace Giving Platform. Plus GoodCompany is home to the largest charitable gift registry in the Southern Hemisphere listing over [3890 project](#).

Our tagline is GoodCompany 'Giving Solutions' hence it is with great joy that we share the following 'giving solutions' so that they may help towards the goal of doubling philanthropy by 2030.

Subject: Submission to the Inquiry into Philanthropic Giving in Australia

1. Tendencies and motivations for Australians' charitable giving

- GoodCompany, as an organisation committed to fostering philanthropic culture, has observed a strong willingness among Corporate Australia to invest in Workplace Giving Platforms to make Payroll Giving, Matched donations, Volunteering, Fundraising and Rewards easy. Studies show that companies who support the community are better able to attract, retain and engage staff, customers and stakeholders and outperform the market. Companies with workplace giving programs are 3.5 times more likely to have a strong supply chain management system, reducing waste and inefficiency (CECP, 2019). 88% of consumers are more loyal to companies that support social and environmental issues (Cone Communications, 2017) A study by the Australian Centre for Corporate Social Responsibility (ACCSR) found that organizations with well-implemented corporate social responsibility (CSR) programs, including workplace giving, enjoyed a higher level of employee engagement and commitment. **Reference:** Maignan, I., Ferrell, O. C., & Hult, G. T. M. (1999). Corporate citizenship: Cultural antecedents and business benefits. *Journal of the Academy of Marketing Science*, 27(4), 455-469. The Macquarie Graduate School of Management (MGSM) published a study in 2014 that indicated a positive relationship between employee engagement and participation in workplace giving programs. The research found that employees who participated in such programs were more likely to be engaged, committed, and satisfied with their workplace. **Reference:** "Workplace Giving: Leveraging the Power of Payroll Deductions to Support Australian Charities". Macquarie Graduate School of Management (MGSM). 2014.
- An increased focus from the investment community on ESG (Environment, Social and Governance) further motivates companies to invest in Workplace Giving solutions as it helps meet their Social and Governance reporting requirements.
- Companies and government agencies that include ESG and CSR (Corporate Social Responsibility) data, as part of their procurement and tendering process, is a powerful motivator for Australian companies looking to win business to invest in the community and Workplace Giving Platforms that can track, measure and report on all giving.
- Certification like our "GoodCompany Certified" logo also motivates companies to give back as it is an easy way to demonstrate to other companies that they are committed to investing in philanthropy, volunteering, donating and fundraising.



- The Best Workplace to Give Back Award also motivates hundreds of companies across Australia to lift their volunteering leave, matched giving budgets, fundraising targets and other pro social behaviours each year. For more information please see [The Best Workplace to Give Back Award](#).

2. Opportunities to increase philanthropic giving

- In 2007 the National Australia Bank made a \$40,000 seed investment in The GoodCompany Foundation to help create Australia's first charity gift card. This investment has now generated over \$40m in donations to charities across Australia. We model that if the Government were to invest \$1 million into GoodCompany, we could grow Workplace Giving and facilitate over \$500 million in donations by 2030, giving the Government a 500% SROI (social return on investment).
- Additionally we would like to see Treasury and all other Government departments implementing a modern Australian Workplace Giving Platform that offers volunteering, donating, fundraising and charity gift cards.
- We encourage Government to include philanthropic donations and pro bono hours when tendering new work, as has been the case with the legal firms for more than a decade. This would give significant motivation and incentive for more companies to dedicate more resources to pro bono work, volunteering, donating and fundraising. However, such policies must include accountability and reporting as highlighted by this interesting piece <https://www.linkedin.com/pulse/australias-government-law-firms-continue-pro-bono-pretence-burns/>
- We also believe that if the Government were to invest in "The Best Workplace to Give Back Award" and other such awards, this would motivate thousands of companies across Australia to lift their volunteering leave, matched giving budgets, fundraising targets and other pro social behaviours each year. For more information please see [The Best Workplace to Give Back Award](#).
- We also see potential in the 'breakage' of gift cards. In many states in the US, gift cards that expire must go to charity. A program allowing customers to donate the value of unused or expired gift cards to a designated charity could generate over \$1B annually. This could represent a substantial annual contribution to Australia's charitable sector that we know needs help now more than ever.
- We encourage Government make an amendment to the gifts and benefits policy to allow public service members to accept charity gift cards up to the value of \$200. This would incentivise and encourage greater uptake of Charity

Gift Cards benefitting all DGR Type 1 charities.

- We would like to see a Whole of Government approach to embracing Charity Gift cards as an ethical and eco-friendly gift / reward. We can create a platform that allows staff to gift and redeem vouchers and track the positive impact.
- Finally, we believe that an inheritance tax could be another avenue to increase philanthropic giving. While Australia has not had an inheritance tax since 1979, most OECD countries do. An inheritance tax would still add considerable resources to the charitable sector. We calculate a 5% tax with a \$10 million net wealth threshold (excluding owner-occupied housing equity) would raise between \$2.3 and \$3 billion annually for a national fund for charities.

3. Barriers to philanthropic giving

- We have found the barrier to Corporate Team Volunteering includes: agreeing on the charity, the date, the number of staff, transport, food, insurance, staff capacity and costs. To address these challenges GoodCompany launched the [GoodCompany Volunteer Mystery Bus](#) which jumps all the corporate team volunteering hurdles. We encourage Government to give it a go and observe if together, we can drive more volunteering in Australia.
- Based on the PAF Consultation on Policy Changes paper <https://treasury.gov.au/sites/default/files/2022-03/c2022-259124-cp.pdf> and recommend that Ancillary Fund Guideline changes to allow a PuAF to donate “through” rather than “to” another PuAF in order that the funds reach a DGR tpe 1 charity in full within a 12 month period. And that strict penalties will be enforced if the donation does not reach a DGR within the time period.

4. Tax expenditure framework and Reforms to increase philanthropy

- We recommend greater flexibility in PAF to PAF transfers. This will allow Company Foundations to draw matched funds from their PAF, pass them on to another PAF to be efficiently passed onto Deductible Gift Recipient (DGR 1) organisations.

- We believe that FBT and other benefits afforded to DGR Type 1 charities should be afforded to DGR Type 2 (PAF) charities. Both entities are struggling in a tight employment market, and we see no logic behind denying PAF's these employee benefits.
- To grow skilled volunteering, we encourage a policy whereby the public can apply for a tax deduction up to \$500 p.a. if they can prove they have undertaken \$5000 of skilled volunteering within the last tax year.
- Any reforms should consider the integrity of the taxation system, the benefits to not-for-profits from existing programs, and the potential benefits from increased philanthropy.
- We recommend the commission to consider tax incentives, simplification of the regulatory framework, and enhanced transparency and impact evaluation as priority areas for reform.
- We urge the Government to support innovative initiatives like GoodCompany's Volunteer Mystery Bus, which aims to drive more volunteering by making it an engaging and exciting activity.
- Inheritance tax and breakage of gift cards should also be considered as potential sources of funds for the charitable sector. These initiatives, if implemented properly, could significantly contribute to philanthropy in Australia.

In summary, we agree that Workplace giving, as highlighted by Assistant Minister for Competition, Charities and Treasury, Andrew Leigh, has great potential to be a major source of donations for Australia's charities.

Workplace Giving can help the government reach its goal of doubling philanthropy by 2030.

Leigh's ideas on the role of management in fostering Workplace Giving, its connection with corporate volunteering, and making it easy for employees to sign up to giving programs are all baked into the GoodCompany Platform - a fully Australian built and owned social enterprise.

GoodCompany is committed to working with the Commission, the Government, and other stakeholders to enhance philanthropic giving in Australia, to bring out the best in everyone. We would be happy to provide further information or clarification on any points raised in this submission.

By fostering a culture of Workplace Giving and making it easier for employees to contribute, we can build a stronger, more connected Australia. With the right policies and support from businesses, we believe we can reach the goal of doubling philanthropy by 2030.



Thank you for considering our views.

Yours sincerely,

Ash Rosshandler

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We acknowledge the traditional custodians of the land on which we meet, work and live. We acknowledge the Elders past and present and the care and traditions they have given this country.