



Review of Philanthropy

Productivity Commission Inquiry

About Raise Foundation

Raise Foundation is a national charity building resilience, hope and engagement for young people in early high schools across Australia. Since our inception in 2008, we have supported close to 11,000 young people, trained more than 7,200 mentors and delivered 868 mentoring programs.

We deliver programs in every Australian state as well as the Australian Capital Territory, prioritising public and low fee-paying non-government schools with secondary enrolments.

Our 23-week evidence-based Raise Youth Mentoring program is delivered in schools during school hours. Our program is delivered in collaborative partnership with the school wellbeing team. Schools identify up to 15 students who are at risk of disengagement or poor wellbeing to be invited to participate in our program. Students are then matched by our degree qualified Program Counsellor to a volunteer mentor, who is fully trained and screened prior to their commencing in a Raise mentoring program.

The program can be delivered in person or online. Our online offering enables us to reach schools in regional and remote areas and match young people with mentors from other parts of the same state.

Our third offering, Youth Introduction to Mentoring, is a ten-week workshop style program, facilitated by a Raise Program Counsellor with the support of around two to four Raise volunteer mentors. We deliver this program in areas where we have been unable to recruit the required number of mentors for one-to-one matching, and the school has chosen not to deliver our online version of the 23-week Raise Youth Mentoring program.

Defining Philanthropy

At Raise we define philanthropy and other forms of giving as 'time, treasure and talent'. To deliver outcomes for the young people in our program, their schools and their communities and to expand our reach to support even more young people we rely on all three of these forms of philanthropy.

We note the Inquiry's expectation that money donations will be the major focus of the inquiry. We recommend the inquiry also consider the value that philanthropists who donate their time, in all its forms, as well as their talents – the information, advice and strategic thinking – can provide to charities. We recognise that where Raise is today would not have been possible without the generosity of the donated time and talent we have been provided by individual, private and corporate philanthropists.

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The Deductible Gift Recipient (DGR) framework

Raise notes the complexity of the DGR to navigate, particularly for smaller charities and those with fewer resources and personnel. We note that the DGR also poses a significant barrier for organisations seeking small grants, including community organisations and committees. This poses a risk to the sector as a whole, given that challenges for smaller charities have implications for all charities.

Raise recommends the inquiry consider opportunities to reduce the complexity of the DGR to support the sector as a whole, with particular consideration for the lifting burden for smaller charities and community organisations.

Other tax concessions for not-for-profit organisations

Raise acknowledges the ATO's requirement that for a donation to be considered a gift it must be unfettered. Raise recommends the Inquiry consider the risk this requirement could present for corporate foundations who are required to report on outcomes for their giving to their Board and others in their organisations (including their shareholder where relevant). Without being able to require acquittal information in alignment with the unfettered requirements this may pose a barrier to the appetite and willingness of corporate foundations to provide philanthropic donations.

At Raise, we see philanthropy as a partnership between us, as the charity, and our philanthropist donors. We see providing information to our donors, including our corporate donors, as an important component of supporting this partnership and recognising shared and individual outcomes for the partnerships. Rather than requiring gifts be unfettered and seeing the relationship as one-way, we would see value in shifting the understanding that these relationships can be partnerships with shared expectations and requirements.

Unnecessary regulatory barrier to philanthropic giving

Raise works in seven jurisdictions across Australia. The different regulatory environments within each jurisdiction create considerable and unnecessary regulatory burden for us and impose additional administrative cost which takes away from our ability to use our donated funding to provide services and deliver impact.

There are two areas we recommend the Inquiry address are the different requirements in each jurisdiction for:

- Charity regulation ("license to fundraise"). This is a key part of our core business and has substantial resourcing requirements and associated costs
- Working with children check requirements. With up to 2,600 mentors to recruit and screen this year, across seven separate working with children regulatory environments, this create substantial administrative and cost burden for Raise. Without a national based system there is also an increased risk of gaps being

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created in the protection of children and young people, given complexity of navigating the system as well as different approaches in management across state borders.

Consumer information on the effectiveness of not-for-profit organisations

Providing clear, transparent information on the effectiveness of not-for-profit organisations is vital to both improving trust and confidence in our sector as well as to providing a valuable information resource to not-for-profits to support their own decision making and planning.

The lack of consistency and regulation around financial and performance reporting makes it challenging for potential and current philanthropists to identify the most effective use of their donations. For example, a lack of consistency around how program costs are reported, for example whether to include indirect costs as well as indirect costs, means philanthropists are unable to compare like for like.

We have been able to source benchmarking information to enable a comparison of our own practice and performance as well as identify gaps and areas for improvement. However, this benchmarking requires payment and is a barrier to small charities or those without resources to expend in this area.

Raise would value access to benchmarking information across the sector and would be open to sharing our experiences and data where there were appropriate safeguards and levels of coverage in place.

Public strategies to increase the status of giving

Australia is one of the lowest countries for the proportion of individuals donating to charities via wills and bequests and philanthropic donations generated through wills and bequests. This is a valuable opportunity and provides high probability funding streams to not for profits which supports effective future financial and strategic planning. We recommend a public campaign or strategy with a clear goal to both increase the proportion of Australians currently making bequests to charities in their wills.

We also see an opportunity for a campaign to showcase the contribution that charities make to communities and to the integral role charities play in delivering services and filling gaps not currently met by the government or private sector. A key outcome of this campaign would be communicating the considerable safeguards and regulation in place around charities to ensure their good governance and effective administration. This would act as a panacea to media reporting which can focus on the minority of charities where there has been malpractice or malfeasance – which although the minority receive considerable media coverage.

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The opportunity of the Doubling Philanthropy

Raise welcomes the Inquiry as the first step to delivering the ambitious goal of doubling philanthropic giving by 2030. Beyond this submission Raise would value the opportunity to provide other support and feedback to the Inquiry as is helpful.

Raise also has an ambitious goal to reach 15,000 young people across Australia and by providing them with a trusted adult mentor, ensure they are able to navigate life's challenges. We already play an important role in creating thriving communities within our current reach. To expand our reach, we need to raise more funds and create sustainable funding opportunities. Philanthropy in all forms – time, treasure and talent – will play a key role in enabling our growth and impact.

We also see an opportunity for more support for the sector to diversify our funding through the create of sustainable social enterprises. This is a growing area and one that Raise sees clear opportunities to help fund our expansion plans.

As a proud member of the not-for-profit sector we also acknowledge that we are fortunate to be able to contribute to this Inquiry. There are others in our sector who would not be able to provide submission due to resourcing constraints. We know through our networks and relationships that the challenges and recommendations we have included here are also felt by many other organisations in the sector.