

OneTomorrow Charitable Fund

Submission to the Productivity Commission Review of Philanthropy 12 May 2023

1. Executive Summary

This submission focuses on the impediments that OneTomorrow Charitable Fund (the philanthropic brand of the APT Travel Group) faces with achieving efficiency in our not-for-profit operations, specifically regarding donation collecting capability which we consider to be directly linked to the tax deductibility rules governing the current system. We also put forward some proposals at the end of the submissions.

We summarise the main impediments as follows:

- (a) We find that the current Deductible Gift Recipient (DGR) framework is limiting to our organisation. This is because it does not adequately meet the needs of intermediary organisations like ours that are seeking to increase giving to global charities; and
- (b) Our current status as a subfund of ACF (Australian Communities Foundation) status inhibits our ability to receive donations from Private Ancillary Funds (PAFs) or offer tax deductibility to all our Australian donors which contribute to overseas causes that do not have a DGR status.

2. Background to our current structure

We provide the following by way of background to our current structure. OneTomorrow Charitable Fund is a sub-fund of ACF and has a fee for service relationship with Global Development Group (GDG). OneTomorrow Charitable Fund is a not-for-profit brand of the APT Travel Group.

OneTomorrow collects and distributes donations for the charities it supports via ACF and GDG

This structure allows us to accept public donations and make distributions to both Australian DGR1 charities and global non-DGR charities.

We also note the following:

- (a) OneTomorrow Charitable Fund both fundraises and makes charitable donations and is the philanthropic arm of Australia's largest Tour Operator.
- (b) The fund receives income from APT Travel Groups company contributions, as well as donations from our staff and travelers in Australia and globally.

- (c) We are one of few corporate foundations that actively seeks out philanthropic donations from our 80,000+ customers a year. The donations are not built into the cost of our trips; instead, we promote the work of our on-ground charity partners on trips and inspire generosity from our travelers to make donations via our secure donation website at the time of booking, during their tour as well as post-tour.
- (d) As far as we are aware OneTomorrow is the only travel company that matches our guests' donations dollar for dollar up to a predetermined limit.
- (e) In a typical year, OneTomorrow could raise up to \$400,000.00 in donations from customers and other supporters, and APT will contribute up to a further \$300,000.00 in company donations to the Fund.
- (f) APT Travel Group absorbs all administration costs associated with running the Fund so that 100% of donations go directly to our partners.
- (g) We currently partner with 26 not-for-profit organisations globally. Just seventeen of these are DGR1 charities such as Rural Aid, Royal Flying Doctor Service, Blue Dragon Children's Foundation and Tree Project. The other nine partners are small to medium sized not-for-profits that are not registered in Australia and include Opportunities for Development thru Art in Cambodia, Living Water in Myanmar, water First in Canada and Peace Village in Germany. The causes that we support are broad ranging to reflect the diverse issues that travelers are exposed to on their APT, Travelmarvel and Captains Choice trips and include social and economic inequality, wildlife and animal protection, and climate action and the environment. We have partners working on every continent of the world.

3. Challenges we face

As a subfund of ACF, OneTomorrow plays an important intermediary role in inspiring and encouraging philanthropy to our customers. We also make giving easy, by completing due diligence on all our charity partners. We know our customers trust our APT Family of brands for giving them a great travel experience, for ensuring their trip is environmentally considered, and they trust us when we tell them about a charity partner that is creating impact in their travel destination, even if they had never heard of that charity before. Our Fund exists because from the day the McGeary family founded APT, our travelers were asking us, "How can I give back?"

4. Current limitations due to legislative constraints

By working with GDG & ACF we have been able to provide tax deductible receipts to our Australian donors. However, this comes at a cost that can impact the total amount directed to a charity or unnecessarily complicate the donation process.

We are also limited in the International environmental causes that we can support as current legislation does not permit Australian funds to support overseas environmental causes.

In short, the current DGR framework creates a number of unnecessary obstacles for organisations like OneTomorrow to inspire more giving from the Australian public.

We believe intermediaries like OneTomorrow Charitable Fund play an important role in inspiring more philanthropy in Australia by tapping into new audiences and making giving accessible and enjoyable.

5. Our ambition

One Tomorrow's mission is to make a positive and enduring impact on nature and the communities we touch. This is achieved through immediate and long-term influence in various environmental and humanitarian causes.

We firmly believe that a small donation to a local not-for-profit at the end of an APT, Travelmarvel or Captains Choice adventure is just the start of something bigger for our customers. That first donation might be the start of a relationship with a community or cause, the start of a form of responsible travel, and for some, the beginnings of the joy of giving. For many Australians, this would be their first international donation. With just 10% of donations from Australians going overseas, we know this is an area that needs more leadership from the corporate sector, among others.

There are few for-profit businesses in Australia that actively use their customer reach to encourage philanthropy. Unlike other corporate models such as building a donation into the retail price of a product, or selling a particular product line with profits going to charity, APT actively asks customers to consider a philanthropic donation as part of their engagement with our everyday products. We do this because we genuinely believe in the importance, and joy, of giving. Supported by a more accessible and equitable DGR framework, we hope our way of business may inspire others to use their customer reach to do more good for people and the planet.

6. Proposal

With the above in mind, it is proposed that consideration be given to reforming the current system to allow for the following:

- (a) Provide tax deductibility for all donations to intermediaries such as OneTomorrow Charitable Fund from Australian residents for tax purposes regardless of whether they donate to an Australian DGR1 charity partner or a non-DGR1 partner;
- (b) Provide tax deductibility for all donations to intermediaries such as OneTomorrow Charitable Fund regardless of whether the cause relates to human, environment or animal protection.