



Philanthropy Australia Ltd.

ACN 070 104 255
ABN 79 579 875 531

philanthropy.org.au
1300 511 500

Adelaide

100 Pirie Street
Adelaide SA 5000
adelaide@philanthropy.org.au

Brisbane

344 Queen Street
Brisbane QLD
brisbane@philanthropy.org.au

Melbourne

55 Collins Street
Melbourne VIC 3000
info@philanthropy.org.au

Sydney

275 Kent Street
Sydney NSW 2021
sydney@philanthropy.org.au

29 January 2021

The Hon Michael Sukkar MP
Assistant Treasurer
Minister for Homelessness, Social and Community Housing
Parliament House
Canberra ACT 2600

Introduction and Pre-Budget Submission

Dear Assistant Treasurer,

As the newly appointed CEO of Philanthropy Australia, I welcome the opportunity to introduce myself, and provide this submission to inform the preparation of 2021-22 Budget.

Having worked in the not-for-profit sector for more than two decades, including as the founder of mental health charity ReachOut and CEO of SANE for 8 years, I have seen firsthand the difference that philanthropy makes. Therefore, I am passionate about growing philanthropy and its impact, and excited by the opportunity to lead Philanthropy Australia as it continues to strive towards our vision of 'a more giving Australia'.

Philanthropy Australia values the positive and constructive relationship we have with the Australian Government, and we appreciate the Government's support and recognition for the important role played by philanthropy in communities across Australia.

I look forward to building upon this relationship, in order to achieve the policy changes needed to grow philanthropy, particularly with the impending intergenerational wealth transfer we will see in the coming years. Given the many ways which philanthropy and government can collaborate to build stronger and more resilient communities, I also look forward to identifying and progressing such opportunities.

In this regard, Philanthropy Australia is currently undertaking a major piece of strategic work, which will present a 'blueprint' for growing philanthropy and its impact. I would welcome the opportunity to meet with you, together with our Co-Chairs, to discuss this project, our Pre-Budget submission, and our other areas of shared interest.

I have also written to the Treasurer in similar terms, and lodged this submission online through the Treasury's website.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "Jack Heath".

Jack Heath
CEO
Philanthropy Australia

Pre-budget Submission

About Philanthropy Australia

As the peak body for giving, Philanthropy Australia's purpose is to serve the philanthropic community to achieve more and better philanthropy.

The community we serve consists of funders, grant-makers, social investors and social change agents working to achieve positive social, cultural and environmental change by leveraging their financial assets and influence.

Informed, independent and with reach and credibility, Philanthropy Australia gives its Members a collective voice and ability to influence and shape the future of the sector and advance philanthropy.

We also serve the community to achieve more and better philanthropy through advocacy and leadership; networks and collaboration; professional learning and resources; and information and data-sharing.

Our membership consists of approximately 700 trusts, foundations, organisations, families, individual donors, professional advisers, intermediaries and not-for-profit organisations.

Responding to the COVID-19 Crisis

Last year was a difficult year for the Australian community, with charities having a critical role responding to the crisis and supporting Australians during this challenging time. The combined health and economic impacts of the 2020 bushfires and the pandemic meant that many charities saw demand for their services increase drastically, while trading income was impacted by social distancing rules and economic downturn.

Australian philanthropy responded with urgency and purpose to support Australian charities and those they serve in the community, with Philanthropy Australia working closely with our members to shape and support this response. This included publishing a call to action identifying key actions which philanthropy can take, with our members signing on to its commitments. In addition, we provided forums for collaboration and engaged closely with the Australian Government as part of developing policy responses to the crisis.

We appreciated the opportunity to work so constructively with the Government in this regard, and welcomed the policy measures announced by the Government, such as making it easier for charities to access the JobKeeper Payment, and providing incentives for ancillary funds to increase their granting.

Building Back Better as We Emerge from the Crisis

Although the JobKeeper Payment has been a very welcome lifeline for many charities, research by the Centre for Social Impact has found that over three quarters of not-for-profit organisations experienced considerable financial strain during the past year, and a considerable portion of charities now face dire financial circumstances. While we are now emerging from the COVID-19 crisis, it is clear that the challenges of 2020 are far from over, with the strain on charities' finances expected to continue into 2021.

During this crucial period for Australian charities and those they support in the community, philanthropy has a key role to play. However, we also believe that it is vital that the Australian Government works to ensure that the policy framework for philanthropy is fit for purpose, so that the impact of philanthropy can be further enhanced as we address the ongoing impacts of the pandemic.

Philanthropy Australia's advocacy focuses on promoting the development of effective policy frameworks which support and grow philanthropy. We believe that Australia does relatively well in this regard, however we also believe that further reforms are needed to grow giving as we rebuild and adapt to the changed environment.

In 2021, there is a crucial opportunity for the Government to leverage the capacity and resources of the philanthropy, to help Australia *build back better*.

Policy Priorities for a Post COVID-19 Australia

It is for this reason that last October, Philanthropy Australia released our Policy Priorities for a Post COVID-19 Australia, which is also attached to this submission.

These proposals are designed to enhance the policy environment for philanthropy and set out reforms with immediate as well as longer term benefits and impact. We have also noted the importance of retaining the aspects of the current system that work well, such as the availability of existing refundable franking credit arrangements, preserving an effective and responsive Australian Charities and Not-for-profits Commission, and protecting the ability of charities to advocate for their causes.

The policy priorities are discussed in detail in the attachment to this submission, however a summary of the priorities is included below. We ask that the Government give serious consideration to these proposals as part of the preparations for the 2021-22 Budget.

Next Steps

Philanthropy Australia once again thanks the Australian Government for the opportunity to make this submission to inform the process of developing the 2021-22 Budget.

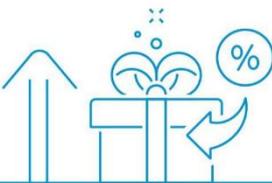
To discuss this matters raised in this submission further, please do not hesitate to contact our Acting Director of Policy and Research, Krystian Seibert (kseibert@philanthropy.org.au).

Policy Priorities for a Post COVID-19 Australia

2 actions the Australian Government can implement to address the immediate and ongoing impact of COVID-19 on charities and giving



Establishing a specialised not-for-profit loan fund, in partnership with philanthropy



Implementing a temporary increased charitable gift deduction

7 initiatives to support giving and charities in a post-COVID-19 Australia

Creating the culture and tools to grow giving:



Introducing a 'Living Legacy Trust' structure to grow giving



Encourage legacy giving from superannuation



Launching a 'National Giving Campaign' to build Australia's culture of giving



Supporting the Social Impact Investing Taskforce recommendations

Removing barriers to giving:



Fixing Australia's complex and outdated fundraising laws



Cutting red tape to support the vital role of Australia's Community Foundations



Reforming Australia's Deductible Gift Recipient framework

4 commitments to retain what works:



Maintaining existing refundable franking credit arrangements



Maintaining the existing uncapped tax deduction for donations to deductible gift recipients



Preserving an effective and responsive ACNC



Protecting advocacy by charities