



# Policy Priorities for a Post COVID-19 Australia

## Introduction to the campaign

There has never been a more significant time for Australia's philanthropic sector. Throughout the economic downturn caused by the COVID-19 crisis, philanthropy has acted with urgency and purpose to complement the efforts of the Government in ensuring that Australia's charitable sector is able to continue to deliver vital services, maintain employment and sustain communities.

As the pandemic hit, Philanthropy Australia released five immediate policy recommendations for the Federal Government's consideration to support the sector during the crisis. Now, our attention needs to shift towards economic recovery. Philanthropy Australia believes there is a crucial opportunity for the Government to leverage the capacity and resources of the philanthropic sector to support charities as they begin the process of recovery.

In the lead up to the Federal Budget announcement in October, Philanthropy Australia calls upon political leaders to endorse our policy priorities for a Post COVID-19 Australia to support the charitable sector. We also invite and encourage our members and the wider community to support this campaign.

## Overview of Philanthropy Australia

Philanthropy Australia is the peak body for philanthropy in Australia and our 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, businesses, professional advisors, intermediaries and not-for-profit organisations.

## How you can support our Policy Priorities for a Post COVID-19 Australia

- Share our campaign through your social media channels by following the guidelines in this pack.
- Use our key messages and other information provided to share information with your own members, and networks about Philanthropy Australia's campaign and get them involved in spreading the word!
- Use our template campaign letter and policy documents to share your support for our policy priorities with your local federal Member of Parliament, or key Ministers or Shadow Ministers, to voice your support for the campaign.
- Review Philanthropy Australia's 2020 Budget Hub on our website, which provides all the details about our campaign.



# Policy Priorities for a Post COVID-19 Australia

## Key messages

- *Philanthropy has so far played a vital role in supporting the charitable sector through the economic downturn and added burden to services caused by the pandemic.*
- *Without philanthropy, charities would not be able to offer the range of services they provide – impacting those in need and putting pressure on the government in areas of community need.*
- *Although we currently have a relatively good policy and regulatory framework for philanthropy in Australia, change is needed if we want to grow philanthropy further and ensure the sustainability of the charitable sector through the COVID recovery period.*
- *Our 13 policy recommendations include actions that can be taken in the immediate term to alleviate the impact of COVID-19 on charities, as well as longer term strategies to remove barriers to philanthropy and grow a culture of giving, to ensure that Australian charities are supported throughout the COVID recovery process and into the future.*
- *We need our political leaders to show their commitment to philanthropy and the contribution it makes to the community, and we encourage them to support these policy priorities.*

## Immediate actions to address the impact of COVID-19

1. Establishing a specialised NFP loan fund, in partnership with philanthropy
2. Implementing a temporary increased charitable gift deduction

## Creating the culture and tools to grow giving

1. Introducing a 'Living Legacy Trust' structure to grow giving
2. Encourage legacy giving from superannuation
3. Launching a 'National Giving Campaign' to build Australia's culture of giving
4. Supporting the Social Impact Investing Taskforce recommendations

## Removing barriers to giving

1. Fixing Australia's complex and outdated fundraising laws
2. Cutting red tape to support the vital role of Australia's Community Foundations
3. Reforming Australia's Deductible Gift Recipient (DGR) framework

## Retaining what works

1. Maintaining existing refundable franking credit arrangements
2. Maintaining the existing uncapped tax deduction for donations to deductible gift recipients
3. Preserving an effective and responsive ACNC
4. Protecting advocacy by charities



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## Why Philanthropy matters

**Philanthropy contributes approximately 7% of total charitable sector revenue**, a figure that had been steadily growing until 2020. The lack of constraints and the ability to coordinate funding and resources means that philanthropy can be more responsive and flexible than Government, and more impactful than individual giving.

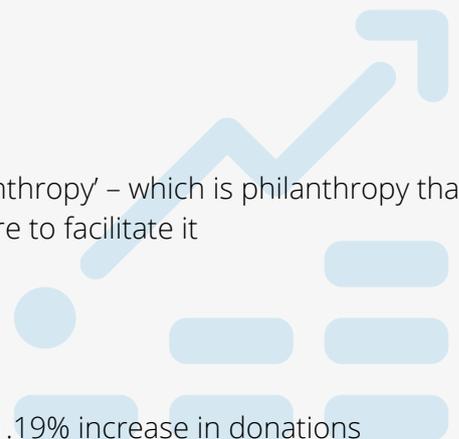
The COVID crisis has had a severe impact on the charities sector. This year, it is estimated that **mass market giving will fall by around 7.1%, and it is projected to drop a further 11.9% in 2021**. Even with the ongoing support of JobKeeper, 14% of charities are expected to be financially unviable by September 2021, putting **180,000 jobs at risk**.

Philanthropy is in a unique position to help bridge this gap in revenue. A Philanthropy Australia survey in May this year found that **80% of respondents were increasing the flexibility associated with their grant-making, and 60% were offering grants specifically in response to COVID**. In addition, **40% had plans to increase their giving for FY19-20** as a result of COVID, and 55% had already decided that grant-making in FY20-21 would either stay the same or increase.

*Philanthropy has a key role to play during the COVID recovery period, and will be central to ensuring that the charities sector can continue to deliver essential services during this uncertain time.*

## Key statistics

- Total giving to charities in Australia – \$10.5 billion (2016)
- In 2016, \$1.5 billion in grants were provided by ‘structured philanthropy’ – which is philanthropy that is planned, strategic and involves using a dedicated legal structure to facilitate it
  - Around 1650 private ancillary funds (2018)
  - Around 1480 public ancillary funds (2017)
  - Around 4000 other charitable trusts (2016)
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- For every 1% increase in tax incentive, there is a corresponding 1.19% increase in donations





# Policy Priorities for a Post COVID-19 Australia

## *Social media post templates*

- In the wake of catastrophic bushfires and the economic downturn caused by COVID-19, our charitable sector is struggling. Philanthropy Australia has set out 13 policy priorities ahead of the Federal Budget to grow giving and support charities as they begin the process of recovery.
- There has never been a more significant time for philanthropy. That's why Philanthropy Australia has put forward 13 policy priorities designed to grow giving and ensure that Australia's charitable sector continues to deliver services, maintain employment and sustain our communities through the COVID recovery period.
- Philanthropy plays a vital role in Australia by supporting charities and not-for-profits in delivering essential services and forming the social capital that strengthens communities across Australia. Philanthropy Australia's Policy Priorities for a Post COVID-19 Australia outline the policy changes we need to grow philanthropy and sustain our charitable sector through the COVID recovery period and beyond.
- Right now, communities and charities are doing it tough – so let's grow giving and support them. Ahead of this year's Federal Budget, Philanthropy Australia has put forward 13 policies to drive more and better philanthropy in Australia.
- We need our political leaders to show their commitment to philanthropy and the contribution it makes to the community, particularly in times of crisis. We encourage them to support Philanthropy Australia's Policy Priorities for a Post COVID-19 Australia, to grow giving and strengthen our charitable sector.

## *Thank You*

Thank you for supporting Philanthropy Australia's Policy Priorities for a Post COVID-19 Australia. With your help we can ensure more Australian's give their money, time, influence and voice in support of charities, not-for-profits and community groups to improve the wellbeing of humanity and the community.

If you have any questions about the campaign or our policy priorities, you can contact Philanthropy Australia  
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