

20 April 2026

Standing Committee on Communications, the Arts and Sport  
Parliament House  
Canberra ACT 2600

Submitted by Email to: [communications.reps@aph.gov.au](mailto:communications.reps@aph.gov.au)

Dear Sir/Madam,

***Inquiry into Arts and Cultural Philanthropy***

Philanthropy Australia thanks the Committee for the opportunity to provide a submission to the *Inquiry into Arts and Cultural Philanthropy*.

This submission sets out Philanthropy Australia's perspectives on the issues under consideration by the inquiry. We would be pleased to have the opportunity to expand upon these perspectives through participation in a public hearing.

Should the Committee wish to discuss the matters raised in this submission further, please do not hesitate to contact our Executive Director, Policy and Sector Development, Krystian Seibert ([kseibert@philanthropy.org.au](mailto:kseibert@philanthropy.org.au)).

Kind Regards



**Maree Sidey**

Chief Executive Officer

## Key Points

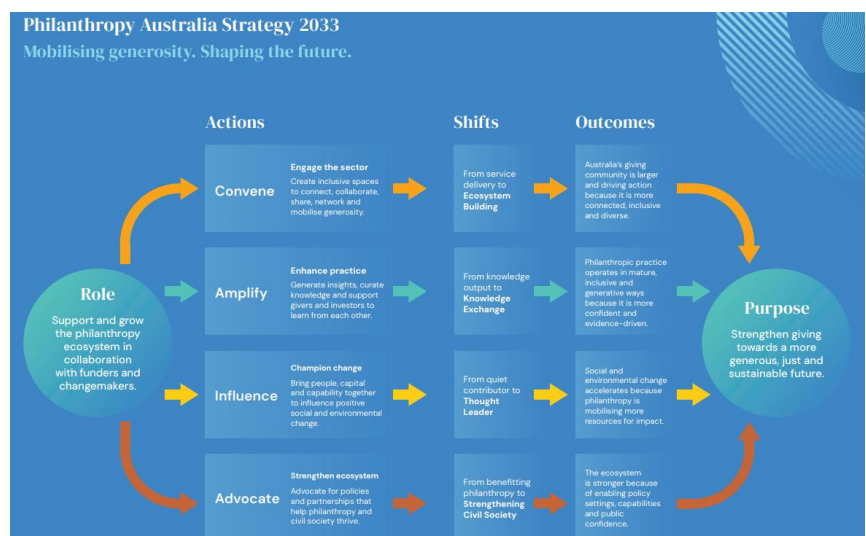
- Arts and culture play a fundamental role in sustaining a dynamic, inclusive and reflective society.
- Stable and predictable government funding is an important bedrock for arts and culture, complemented by philanthropic giving that can provide added support for innovation and diversity.
- To provide more clarity regarding the respective roles of government and philanthropic support for arts and culture, the Australian Government should work with stakeholders to develop a public statement regarding these different roles.
- Effective and coherent policy settings are vital for creating an environment that supports and sustains philanthropic giving, including towards arts and culture.
- Prioritising the timely implementation of the recommendations of the Productivity Commission's *Future Foundations for Giving* report would demonstrate the Australian Government's commitment to creating a supportive policy environment for philanthropy.
- This should include reforming the Deductible Gift Recipient system, which the Productivity Commission concluded is not fit for purpose.
- Bequests are an important source of donations for charities, including arts and cultural organisations, but giving through such bequests is relatively low in Australia.
- The Australian Government could make it easier for people to make bequests to charities from their excess superannuation, providing a new way to direct giving towards arts and culture at no cost to the Federal Budget.
- The Australian Government has a key role equipping arts and culture organisations with the skills to engage with philanthropic supporters, and it should continue to resource this important work by Creative Australia.

## About Philanthropy Australia

For more than 50 years, Philanthropy Australia (PA) has been strengthening giving for the benefit of the Australian community. As the nation's peak body for philanthropy, we work to mobilise generosity to shape the future.

Our newly released [Strategy 2033](#) guides our work collaborating with funders and changemakers to create a more generous, just and sustainable Australia. We do this by:

- Convening, connecting and engaging members
- Amplifying insights and knowledge exchange to enhance practice
- Influencing the use of diverse resources to create impact
- Advocating for policy outcomes that strengthen the ecosystem



PA works to convene members and partners to learn from each other and share good practice through a variety of forums. Of particular relevance to this inquiry is our Arts Funders Peer Network. This is a network of philanthropic funders in the arts which meets a number of times per year and collaborates in various ways.

PA also works to inspire more giving through sharing stories of giving and impact through the *Giving News* and publications such as the *Inspiring Stories of Giving*, which celebrate giving and impact in communities across Australia.

Our flagship events include a [National Conference](#), which will be held in Brisbane in September this year, with our Philanthropy Leadership Summit held on alternate years. These are our premier gatherings that bring together more funders, changemakers and innovators from across Australia and around the world. The programs for these events include perspectives on arts and cultural philanthropy.

## The Complementary Role of Philanthropic Support for Arts and Culture

Arts and culture play a fundamental role in sustaining a dynamic, inclusive and reflective society. They shape how individuals and communities understand their identities, histories and lived experiences, and provide spaces for shared expression, dialogue and imagination about the future.

Because of this broad public value, governments have a central responsibility to affirm, champion and support a healthy and vibrant arts and culture ecosystem.

This responsibility is realised through a combination of policy leadership, institutional structures and targeted programs, including strategic frameworks such as *Revive: Australia's Cultural Policy*, funding and capacity building bodies like Creative Australia, and initiatives such as the Cultural Gifts Program and Australian Cultural Fund that stimulate and facilitate private support.

Stable and predictable government funding is an important bedrock of support for arts and culture, enabling arts and culture organisations to plan, operate sustainably, invest in talent and infrastructure, and deliver public benefit over the long term. Maintaining adequate public resourcing is therefore critical to the resilience and vitality of the sector.

As pointed out in the Productivity Commission's *Future Foundations for Giving* report, philanthropic giving and government funding have different characteristics and roles<sup>1</sup>.

Philanthropic giving in its various forms can provide added flexibility and support for innovation. In a pluralist society, such giving can also support a diverse range of activities that reflect different perspectives and views.

In the context of supporting arts and culture, philanthropic giving provides vital additional resources, in addition to government funding and other sources of income. In some instances, philanthropic giving may be the primary form of stable and long-term support for some arts and culture organisations, when government funding is not available.

Philanthropy operates most effectively alongside government investment. It should be understood as an enhancement to, rather than a substitute for, sustained public funding for arts and culture.

There are many examples of such co-investment in the context of support for arts and culture. For example, the Australian Government, through Creative Australia and its predecessor bodies, has long partnered with philanthropy to support Australia's presence at the Venice Biennale. Another example is the Collingwood Yards creative precinct in Melbourne, which was the product

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<sup>1</sup> See: <https://www.pc.gov.au/inquiries-and-research/philanthropy/>

of contributions from the Victorian Government, philanthropic organisations and commercial partners.

However, there can be a lack of clarity regarding the respective roles of government and philanthropic support for arts and culture, and how they complement each other. For example, what type of support should generally be the responsibility of government funding, and what expectation is there regarding the contribution of philanthropic giving and for what types of activities.

Therefore, Philanthropy Australia believes that the Australian Government, through the Office of the Arts and Creative Australia, should work with stakeholders to articulate a public statement regarding the respective roles of government funding and philanthropic giving in the context of supporting arts and culture.

This statement could form the basis for developing new strategic partnerships in priority areas, serving as models of the effective collaboration and helping to achieve the objectives of *Revive: Australia's Cultural Policy*.

**Recommendation** – *That the Australian Government, through the Office of the Arts and Creative Australia, works with stakeholders to articulate a public statement regarding the respective roles of government funding and philanthropic giving in the context of supporting arts and culture.*

## Reforms to Build a Stronger Policy Framework for Giving

The Productivity Commission's *Future Foundations for Giving* report highlighted the significance of effective and coherent policy settings in creating an environment that supports and sustains philanthropic giving.

While tax incentives and giving structures are not the primary drivers of giving, these mechanisms play an important enabling role. They reduce friction, provide confidence, and can meaningfully influence both the scale and regularity of giving. Well-designed policy frameworks therefore help translate philanthropic intent into action. Ensuring that these underlying policy settings are fit for purpose is critical to supporting and growing philanthropy in Australia.

The Productivity Commission identified a range of reforms that are necessary to achieve this. Prioritising the timely implementation of these recommendations would demonstrate the Australian Government's commitment to creating a supportive policy environment for philanthropy and to maximising its contribution as a complement to public funding across sectors, including arts and culture.

### *Overhauling the Deductible Gift Recipient System*

In particular, Philanthropy Australia believes that it is essential for the Australian Government commit to reforming the Deductible Gift Recipient (DGR) system, which determines the categories of organisations eligible for receiving tax deductible donations. Only around half of registered charities are eligible for DGR status, with the system leading to many inequitable outcomes.

The *Future Foundations for Giving* report concluded that the DGR system is 'not fit for purpose' and 'needs reform', proposing a model for overhauling the system. This was subsequently endorsed by another report commissioned by the Australian Government, the *Not-for-profit Sector Development Blueprint* (2024)<sup>2</sup>.

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<sup>2</sup> See: <https://www.dss.gov.au/groups/resource/not-profit-sector-development-blueprint>

In terms of the impact of the DGR system on arts and cultural philanthropy, Philanthropy Australia draws the Committee's attention to the submission by Justice Connect. As discussed in that submission, although many arts and culture organisations can access DGR status by way of the 'cultural organisations' DGR category, the complexity of the DGR system creates various challenges which result in a significant number of arts and culture organisations not accessing DGR status.

The deficiencies in the DGR system have a disproportionate effect on small volunteer run organisations, which often do not have resources to navigate a complicated web of rules. The practical implications of this are that these and other organisations which do not have DGR status are not only ineligible to receive tax deductible donations from supporters, but they are also cut off from accessing grants from private and public ancillary funds (which are to be renamed 'giving funds').

Although the Australian Government recently announced a decision to increase the so-called 'minimum distribution' from giving funds, arts and culture organisations which do not have DGR status will not be able to access any additional flow of support which may result from this change<sup>3</sup>.

For these reasons, Philanthropy Australia believes that the Australian Government should prioritise reform of the DGR system, to ensure that the foundational elements of the policy framework for supporting giving in Australia are robust into the future.

***Recommendation** – That the Australian Government prioritises reform of the Deductible Gift Recipient system, as recommended by the Productivity Commission's 'Future Foundations for Giving' report.*

### *Making Superannuation Bequests Easier*

Superannuation is a key component of Australia's retirement income system, helping to support a dignified retirement for older Australians, alongside government support, in an equitable and sustainable way. When a person passes away, their excess super is considered a 'death benefit'. Treasury's Retirement Income Review forecasts that the quantum of these death benefits will increase considerably in the coming decades.

Currently, a person can nominate a dependent (such as a spouse or child) or their legal representative (i.e. their estate) to receive some or all of their excess super upon death. A so-called 'binding death nomination' is used for this purpose. It is a written direction a person makes to their super fund, setting out how they wish some or all of their excess super to be distributed.

If a person wants to direct some of their excess super after their death to a charity, they must (1) Nominate their estate to receive it, and (2) Ensure that their will stipulates that a charity is to receive the funds provided from their super. Jumping through these hoops makes giving to a charity from super, upon death, much harder.

Bequests are an important source of donations for charities, including arts and culture organisations. But giving through such bequests is relatively low in Australia, with data compiled by JBWere estimating that 6.5% of wills include a bequest to charity, accounting for approximately 10% of philanthropic giving<sup>4</sup>.

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<sup>3</sup> See: <https://ministers.treasury.gov.au/ministers/andrew-leigh-2025/media-releases/boosting-support-australian-charities>

<sup>4</sup> See: <https://www.jbwere.com.au/campaigns/bequest-report>

Although there are limited policy levers available for growing bequests, the Australian Government could make it easier for people to make bequests to charities from their superannuation. This could be achieved through minor amendments to legislation and regulations, to permit super fund trustees to provide fund holders with the option of nominating a charity to directly receive a portion of their excess super upon death.

Such a change would not involve complex legislative amendments. It would also have no impact on the Federal Budget, as it does not change the tax treatment of super death benefits. Appropriate safeguards could also be included to preclude a person from directing all their excess super to a charity, for example through a cap.

If the Australian Government is seeking a new way to channel additional philanthropic giving towards arts and culture organisations, this change could provide an attractive option for achieving this. Initially the change could be limited to allowing excess super to be directed to registered charities with the 'advancing culture' Australian Charities and Not-for-profits Commission (ACNC) subtype, with such a phased approach providing an opportunity to examine the impacts of the change before expanding eligibility to other categories of charities.

***Recommendation** – That the Australian Government implement changes permitting superannuation fund trustees to provide fund holders with the option of nominating a charity to directly receive a portion of their excess superannuation upon death.*

## Capacity Building to Enable Engagement with Philanthropic Supporters

*Revive: Australia's Cultural Policy* recognises that the Australian Government has an important role equipping arts and culture organisations with the skills to engage with philanthropic supporters.

Creative Australia delivers on this function in various ways, including the provision of:

- Training and professional development
- One on one coaching
- Peer learning networks
- Matched funding programs

Philanthropy Australia believes that continued investment in such capacity building is essential to enable arts and cultural organisations to build and maintain new and existing relationships with philanthropic supporters. We would encourage the Australian Government to also consider the provision of additional resourcing for these activities, including initiatives such as 'AusArt Day'.

***Recommendation** – That the Australian Government continues to resource Creative Australia to work with arts and culture organisations to build their capacity to engage with philanthropic supporters.*