

The Hon. Scott Morrison MP  
Prime Minister of Australia  
Parliament House  
Canberra ACT 2600

24<sup>th</sup> of March 2020

Dear Prime Minister

CCA is pleased that the government has acted swiftly to recognise and offer support for the role played by charities in Australia by including them in the latest stimulus package announcements. These initial measures will help charities retain some of their staff and services, but a well targeted assistance package for charities is also desperately needed.

Australian charities employ over 1.3 million staff, rely on the contributions of over 3.5 million volunteers, and contribute 8% of Australia's GDP. They are vital to our economy and our communities.

Many charities are now facing a real battle to survive. Fundraising activity is grinding to a halt leaving many charities struggling. Volunteers and staff are much less available, impacting directly on service provision to support our most vulnerable.

There will be significant job losses across the sector – already some of our strongest charities are looking at losing 20-40% of their workforce. It is possible some 250,000 people currently employed in our sector will lose their jobs. There will be cuts to services, including those relying on volunteers, and many income producing activities like opportunity shops, group training, and socially based community activities will have to cease operation. CCA has seven critical asks of government over the coming weeks:

1. **Offer more security to maintain programs and employment:** Governments around Australia could increase security and help maintain the jobs of 1.3 million staff employed by charities if they guaranteed not to cut funding to charities over the next 12 months. The Victorian government has already done some of this, guaranteeing all its arts funding until 2021.
2. **Enable flexibility for charities to respond:** Charities are at the front line, embedded in community and are exceptionally well-placed to know what works to achieve a good outcome for their communities. In difficult times, government funded charities could be released from their narrow contractual obligations and enabled to respond as needed.
3. **Provide additional funding to meet additional demand:** The growing need is going to overwhelm some charities without additional support – this includes in vital areas like food, shelter, health services, etc.. direct increases in funding should be provided to front line service providers, especially those already stretched providing support for bushfire communities and other high needs groups.

4. **Offer wage subsidies and other bridging options:** Trying to keep as many staff employed in the charities sector is a real challenge with income streams disappearing. Charities need access to cash flow to support employment in the same way as small to medium businesses. A wage subsidy (similar to the UK) and better access to government supported loans schemes / lines of credit would enable many more charities to retain staff.
5. **Offer tax incentives to encourage continued support of charities:** Governments could encourage philanthropy by increasing the tax deduction for donations to registered charities to 150 % between now and June and then 75% from July to December. Businesses could be encouraged to deploy any staff services and resources that will be under-utilised in changed daily operations toward areas of social need by introducing a tax deduction of 100% for all pro-bono support or services businesses provide to registered charities for the next six months. Philanthropic support from our corporate partners could also be encouraged by increasing the tax deduction on donations from businesses to registered charities to 75% for the next six months.
6. **Provide support for adaptation in service delivery:** The government could launch a digital rebate scheme to support registered charities as they shift their services online, develop and launch new forms of online support for Australians and support their volunteers and staff to work remotely.
7. **Extend support to all charities, big and small:** All donations to legitimate charities registered with the Australian Charities and Not-for-profit Commission made in 2020 could be tax deductible.

**We want to help the government build trust:** If Australia is to respond well to this pandemic, working together, acknowledging our collaborative achievements will help build community resilience. Charities are a good news story that can help build a sense of belonging, of trust, of being prepared to give to others and support each other. With government and community support, charities will step up to the challenges and continue to make a difference in all our communities.

We look forward to your consideration of these suggestions and hope to engage in more detailed discussions of how these measures might be applied across the charities sector and the communities they serve.

Yours sincerely



Rev Tim Costello AO  
Chair, Community Council for Australia  
24<sup>th</sup> of March 2020



David Crosbie  
CEO, Community Council for Australia  
24<sup>th</sup> of March 2020