

Outgoing commissioner warns charity and ideology at cross purposes

EXCLUSIVE

By **JOE KELLY**, CANBERRA BUREAU CHIEF

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Outgoing charities commissioner Gary Johns has warned against charitable organisations drifting from their core purpose and promoting ideological viewpoints rather than achieving practical outcomes.

The head of the Australian Charities and Not-for-profits Commission will sound the warning in the fourth Ramsay Lecture for 2022 at The Mint on Tuesday.

In the address, Dr Johns will propose that charities should be granted tax deductions for donors, but only if they meet key conditions.

These include attempting to raise donations and recruit volunteers, satisfying a “clear means of delivering” test, reporting the source of government funds, and not spending funds on political campaign advertising.

An extract of the speech, published in *Inquirer*, argues the value to society provided by charities is diminished once they become reliant on government funds, lose their economic independence, have low numbers of volunteers and drift towards advocacy based on ideology.

The speech from Dr Johns comes amid an [ongoing debate about whether all charities deserve to be extended donor deductions](#). At present, about 60 per cent of charities do not have donor deductions.

“Advocacy alone, even in pursuit of charitable purposes, does not prove the value of charity work. Advocacy alone is disembodied, nothing more than ideology dressed up as charity: any citizen or political party can do that,” Dr Johns says. “Lobbying informed by charitable practice, however, is a value that few others could match. There is a solution to the weakness of ungrounded advocacy.

About 60 per cent of charities do not have donor deductions. Clearly, some charities are thought to be more charitable than others.

“A proposal worth considering is that registered charities should be eligible for donor tax deductions ... and in return charities must have a means of delivering on their purpose. All charities should be granted the privilege of a tax deduction for the donor.

“(But) in return, charities must satisfy a ‘clear means of delivering’ test and ... attempt to raise donations and recruit volunteers.”

Dr Johns will also use the speech to provide an overview of the charities and not-for-profit sector, arguing there is a variety of charitable organisations making different contributions to society.

“The Australian public underwrite charities. Does the public know what they get for their money?” he says. “Charitable endeavours may be less targeted to a group of individuals ... and more to a concept – for example, reconciliation, or how to save the world environment. Some charities raise no funds and do not carry the name charity in their advertising. They are, to all intents and purposes, not-for-profit government services contractors.

“Some charities deliver no services. They raise funds from donors with the sole intention of lobbying government for a change to law, or for funds. The shift away from ‘services’ to ‘voices’ runs the risk of charities drifting into ideology.

“Some charities will slip into public debate ideas foreign to charity. For example, some argue for equality as the means to eliminate poverty. Equality, however, is not a charitable purpose.”

Dr Johns will highlight that the revenue of charities in Australia in 2020 was \$178bn. But of this, \$89bn came from government, \$57bn from the sale of goods and services (much of which was government-subsidised) and \$13bn from donations and bequests.

“Was the value of the charity contribution \$178bn or \$13bn, or somewhere in between? Sydney University is a charity. Its income in 2021 was \$2.6bn and it employed 8000 staff. Most of its funds came from government grants or government-subsidised fees for education services. Donations were a minor source of income.

“Brisbane charity Zephyr Education Inc supplies school uniforms and books to the children of women who have sought refuge in a women’s shelter. Its income in 2021 was \$600,000 ... drawn

entirely from donations, and its staff were voluntary.”

JOE KELLY, CANBERRA BUREAU CHIEF

Joe Kelly is the Canberra Bureau Chief. He joined The Australian in 2008 and since 2010 has worked in the parliamentary press gallery. He has covered five federal elections and 13 federal budgets.

