

## Charities slide into a classic catch-22

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Australia's charity and not-for-profit sector is [succumbing to the coronavirus](#). Already weakened by drought, floods and bushfires, it is now having to cancel major fundraising events and activities.

As funds diminish, some members of the sector are drifting into a catch-22 situation. As their capacity is challenged and their services are reduced, more people – anxious about the virus – need these services.

This is particularly felt by health-related charities, which account for more than 7300 of the 57,675 registered charities in Australia.

Professor Mark Radford, CEO of Queensland Eye Institute, estimates the sector is already easily down 35 per cent over the past six months.

He predicts a greater downturn as the virus compounds the problem, complicating staffing arrangements, research and funding over the next 12 months.

For patients, it is already churning up the healthcare system. Hospitals and clinics are re-arranging normal routines which, in turn, creates anxiety and uncertainty.

People who might have gone to cancer support groups, now find these unavailable because of lack of funds or social distancing.

### **Shallow reserves**

The Prostate Cancer Foundation of Australia is getting distress calls from men worried about the consequences of delayed treatment.

Its CEO, Professor Jeff Dunn, says the combination of funding pressure and shallow reserves is likely to lead to the closure of some organisations.

He has moved quickly and written to Prime Minister Scott Morrison describing the risk, seeking an urgent stimulus package for the sector and outlining what it could look like.

The sector contributes about \$129 billion to the economy each year, directly employing about 840,000 full-time workers and another 470,000 upstream. Almost 80 per cent of this workforce is female.

With major events cancelled, donations diminishing, activities constrained and supply chains disrupted, the sector is in crisis.

"This sector is an expression, a community mobilisation, of good deeds to make our world a better place – and we need it," he said.

He would like to see an employment protection provision to provide non-profit employers with a percentage-based or lump sum payment to offset salary costs and safeguard jobs.

There is also a need for a corporate tax offset for companies that donate to registered charities, with donation and offset thresholds to encourage contributions from small, medium, and large enterprises.

Dunn would like a temporary bonus charity tax deduction incentive for individual taxpayers, providing a 150 per cent tax deduction on donations before June 30, 2020.

And, he says, a digital innovation rebate scheme to fund the costs of new digital and web-based innovations designed to provide community services and programs online would be very helpful.

So would the establishment of an NFP Futures Fund managed by an independent agency and a research investment offset for registered charities that fund research for broad public benefit.

An official at the Australian Charities and Not-for-profits Commission, which regulates charities, says there is a risk that some charities may be overwhelmed by demand for services, some may not be able to provide services, and some may have to close temporarily because of the outbreaks.

Since the commission was established in 2012, it has made concessions for charities facing hard times, such as the recent Brisbane floods and the bushfires.

It extended reporting deadlines to charities in affected areas and helped them navigate the impact of these events on their operations.