



The Karma Currency Foundation applauds the work done by the Productivity Commission and is appreciative of the opportunity to provide feedback.

With respect to the report we support Draft Recommendation 7.3

To encourage cost effective giving, the Australian Government should explore options to promote and support planned giving, especially payroll giving. Options include increasing the awareness of the tax benefit of giving, and financial assistance and advice to smaller organisations to establish planned giving programs.

In particular we submit the following recommendations relating to:

1. The support and promotion of workplace giving
2. The promotion and support of 'other' innovative planned giving programs.
3. The desirability of the government to match public and private sector planned giving.
4. The desirability of the government to provide grants and advice to Australian employers, particularly SME's, to establish workplace giving programs.

Please contact Ash Rosshandler on (03) 9686 6100 or via email ash@karmacurrency.com.au if you have any questions in connection with this submission.

With warm regards,

A. W Rosshandler

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Winner of the Australian ICT Innovator of the Year 2007
Winner of the Tattersall's Enterprise Achievement Award 2008
Winner of the World Summit Awards E-Commerce 2009
Winner of the Australasian Fundraiser of the Year 2009

Background - The Karma Currency Foundation

The Karma Currency Foundation (“**KCF**”) (ABN 54120979809) is a national, independent, charitable non-for-profit that seeks to revitalize the philanthropic landscape in Australia through innovative ideas that make giving empowering, engaging, easy and accountable.

Since its establishment in 2007, **KCF** has been responsible for raising funds for over 150 charity partners. We do this through Australia’s first online Charity Gift Vouchers, Australasia largest Charitable Gift Registry and our World First “Workplace Giving – Minus the Work” Platform.

In addition to winning the Australian ICT Innovator of the Year (2007), The Tattersall’s Enterprise Achievement Award (2008), The World E-Commerce Summit Award (2009) and the Australasian Fundraiser of the Year Award (2009) we have successfully raised over \$700,000 for charity. This achievement has been made irrespective of the fact that to date we have had no financial or promotional support from the Government.

Recommendations:

1. The support and promotion of workplace giving

We recommend with the right support and capital injection all working Australians can have access to an engaging, empowering and accountable workplace giving program. And KCF, as the first to offer a truly online Workplace Giving Platform, would be happy to work with the Government and other intermediaries to offer this.

In respect to promoting Workplace Giving, we recommend that for Workplace Giving “to work” it must be:

- a) Easy for payroll – what we call “Workplace Giving - Minus the Work”.
- b) Engaging for staff - we have found that 63% of staff would rather give to a specific charitable project rather than a general charity donation and
- c) Empowering for all – this is people’s hard earned money and then they should be empowered to give to the organisation and projects of their choice.

Again, we would be happy to work with the Government to promote such a platform through online and offline advertising, press conferences, road shows, expos and other media.

2. The promotion and support of ‘other’ innovative planned giving programs.

We recommend that the Government promote and support other innovative planned giving programs. One example of this is Australian’s first online Charity Gift Vouchers. With this tool, individuals and organizations can go online to www.karmacurrency.com.au where they can purchase tax deductible Charity Gift Vouchers to send them to staff or customers, family or friends. The lucky recipient is then empowered to pass on this donation to the charities and ethical projects of their choice.

Hence a company could say to staff “we wish to give \$50,000 to charity this year with a twist – each staff member will be emailed a \$100 Charity Gift Voucher to give to your charity of choice”. We call this the “**Democratization of Giving**” and as one of the greatest democracies in the world, we feel the Australian Government should throw their support behind these types of initiatives.

Indeed the US has already shown its support when earlier this year, Harvard Business School together with KCF and the NAB conducted a world first study on “Happiness and Giving and Staff Engagement through Charity Gift Vouchers”. We also recommend that the government help promote this study when it is released in 2010.

As an immediate recommendation, we’d propose that the Government and the public service begin using these eco-friendly and engaging, meaningful and memorable Charity Gift Vouchers in place of any number of un-environmentally friendly gift and rewards (such as clocks, umbrellas, pens, wine coolers etc...) that eventually end up in landfill.

3. The desirability of the government to match public and private sector planned giving.

The aforementioned Charity Gift Vouchers are an empowering and engaging tool for Matched Giving. To date many corporations have an ad hock matched giving program that involves their payroll department collecting tax deductible receipts from staff, collecting charity payment details from charities and then mailing the matched amounts one by one. This is a time consuming, mundane and cumbersome practice. We recommend that the Government promote and utilize Charity Gift Vouchers as a simple, cost effective and engaging way to match both public and private sector giving. In this way the recipient is empowered to 'give again'. And we have found that over 10% of people who redeem choose to 'top up' their voucher and in doing so, give again. This we believe will perpetuate further giving into the future.

Regarding Workplace Giving, all evidence points to the fact that matched giving encourages more staff to give more funds more often and hence we recommend that the Government match public and private sector Workplace Giving for a limited time.

4. The desirability of the government to provide grants to Australian employers, particularly SME's, to establish workplace giving programs.

We agree with this recommendation and believe that with a one off grant most of SME's should be able to access an online workplace giving platform that is accountable, engaging and empowering and tailored to suit their needs and those of their staff. We further recommend that the public sector take a leadership role in the promotion of workplace giving internally, thereby demonstrating its support and endorsement for workplace giving for all Australians. This would entail substantial planning and a significant rollout in which KCF would be proud to partner with the Government.

Thank you for the time and energy you have taken to consider this submission and please do not hesitate to contact myself, Ash Rosshandler on (03) 9686 6100 or via email ash@karmacurrency.com.au if you have any questions, comments or suggestions.

With warmest regards,

A. W Rosshandler

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