

Philanthropy Inquiry  
Productivity Commission  
GPO Box 1428  
Canberra city ACT 2601

9<sup>th</sup> February 2024

Dear Sir / Madam

### **Submission to Productivity Commission Draft Report on Philanthropy**

By way of introduction, I am the founding and senior pastor of Globalheart Church Inc, a longstanding Pentecostal Christian church with campuses in Perth, Melbourne, and other international locations.

The Productivity Commission's draft report into Philanthropy: "Future Foundations for Giving" (**Draft Report**), makes recommendations which I believe to be an attack on Christian religion in Australia. I was greatly saddened to read your recommendations, and feel urged to make a formal response.

This response is in respect of two of the recommendations made in the Draft Report as outlined below.

#### **1. Recommendation to remove the Basic Religious Charity Exception**

The Draft Report proposes to remove the concept of a 'Basic Religious Charity ('BRC') and associated exemptions. All religious institutions which are currently registered as a BRC with the Australian Charities and Not-for-profits Commission ('ACNC') would then have the same governance and reporting obligations, proportionate to their size.

In my opinion, one of the main problems with this recommendation is that in certain circumstances, the ACNC then would have the power to suspend, appoint and remove a member of a BRC's governing body.

This proposal would provide the government with authority for involvement in the leadership of religious organisations, and is therefore in contravention to the rights provided to religious organisations as a result of religious freedom. To remove any religious exemption written in Commonwealth law would be a breach of section 116 of the Australian Constitution, which states:

*"The Commonwealth shall not make any law for establishing any religion, or for imposing any religious observance, or for prohibiting the free exercise of any religion, and no religious test shall be required as a qualification for any office or public trust under the Commonwealth."*

This proposal is therefore unconstitutional, and I strongly urge that it be reconsidered.

May I suggest that an alternative to removing the BRC status may be to explore appropriate amendments to the exemptions currently available. For example, BRC's do not currently have to submit annual financial reports; it may be appropriate to remove that exemption so that the ACNC have increased visibility of financial information.

## **2. Recommendation for the removal of activities that are specifically for the purpose of 'advancing religion' from the DGR system**

The Draft Report's proposal to remove DGR eligibility for religious activities, such as a school building fund, is highly concerning. The premise for the removal is 'the potential for a donor to be able to convert a tax-deductible donation into a private benefit'.

Without DGR eligibility, many religious education entities would be detrimentally affected. Their buildings are often purpose-built buildings, which rely on the financial support provided through the DGR system.

Yet the Draft Report fails to recognise that this religious education actually supports the Australian community as a whole. Religious education develops solid biblical principles of generosity, love, and care, which students then are empowered to deliver to the people around them. Without this service to those in need in our society (financial, practical, emotional etc.), there would be a significant additional burden to be carried by the Australian Government.

The Draft Report also fails to provide alternative recommendations on how the Government can support such accredited education providers.

By its very nature, the removal of 'advancing religion' is an attack on religious freedom. I bring your attention to Article 18 of the International Covenant on Civil and Political Rights 1966 (ratified by Australia in 1980) which states:

1. *"Everyone shall have the right to freedom of thought, conscience, and religion. This right shall include freedom to have or to adopt a religion or belief of his choice, and freedom, either individually or in community with others and in public or private, to manifest his religion or belief in worship, observance, practice, and teaching.*
2. *No one shall be subject to coercion which would impair his freedom to have or to adopt a religion or belief of his choice.*
3. *Freedom to manifest one's religion or beliefs may be subject only to such limitations as are prescribed by law and are necessary to protect public safety, order, health or morals or the fundamental rights and freedoms of others.*
4. *The States Parties to the present Covenant undertake to have respect for the liberty of parents and, when applicable, legal guardians to ensure the religious and moral education of their children conformity with their own convictions".*

### **Conclusion**

In summary, I kindly urge the Productivity Commission to reconsider their recommendations on these two matters.

Thank you for your consideration of this submission.

Yours faithfully

Ps Gerard Keehan

On behalf of Globalheart Church Inc