

SUBMISSION from BETTER BALANCED FUTURES, representing the various faith communities of Australia

RE: Australian Government Productivity Commission DGR Reform Draft Report

Summary of position:

1. We do not support the recommendation to remove DGR status for school building funds.
2. We do not support the recommendation to remove DGR status from Religious Education in Government Schools.
3. We support the recommendation to significantly expand DGR categories, however we do not support the targeted exclusion of 'advancing religion', 'advancing education' and 'advancing aged care' charities from DGR status.
4. We reject the conclusions of the commission's report, on the apparent basis that both Religious Education and Private Schooling has little 'community-wide benefit'. We do not believe this to be a well-considered or researched conclusion.
5. We strongly welcome and support new categories of charities to have DGR status, for example Animal Welfare, but we reject the basis of the commission's guidelines that these newly appointed DGR status charities will represent a 'greater community-wide benefit' than either supporting the education of 35% of Australia's youth through independent schooling, or the provision of Religious Education in schools, which is researched and proven to deliver key psychological benefits to young people, promotes social cohesion in Australia (the most multicultural nation on earth) and delivers monitored and professional curriculum, preventing radicalisation and isolation. A better solution would be the addition of DGR status to these important charities, without removing it from those that already have it. Perhaps this could be a key to doubling philanthropic giving – providing incentive for the broadest range of society possible, so that each Australian can freely engage in generosity without the consideration of whether or not their donation is tax deductible.
6. We do not believe the recommendations from the Commission are aligned with the Alice Springs (Mparntwe) Education Declaration.
7. We object to the commission's lack of recognition of the key part (and community-wide benefit) that faith communities play through philanthropic giving and volunteering throughout the community, and the integral role that they will continue to play in helping achieve the goal of doubling giving and volunteering by 2030.
8. We seek to raise awareness in the Commission, that the single, largest group of planned weekly volunteers in Australia is the volunteer Religious Education teachers – 11,500 weekly volunteers. This aligns strongly with the goal of doubling giving by 2030. Reducing the support for these volunteers that are

leading the way does not appear to have been well-considered by the Commission.

9. We do not support the abolition of the Basic Religious Charity category.
10. We have concerns and questions for the government about removal of DGR status for private schooling, with particular reference to the Hindu community, who will soon be seeking to establish their own faith-based school to meet community needs. If the commission's recommendations are adopted, the Hindu community will be unable to access DGR status for its community donations to building school facilities – this is in contrast to other religions who have been able to access this benefit for their own schools. This does not represent equality, and does not align with Australia's goals for positive relationships with India.
11. In addition to concerns for the Hindu community, we want to highlight that the fastest growing sectors in independent schools are found within the Muslim community and low fee Christian schools – where demand is outstripping supply in both. If DGR status is removed, this will reduce the amount of funds available for building these schools and they will either not be built or, especially considering the current economic climate and recent surge in inflation, the fees will price parents out of the market. The government does not currently have capacity for all these students to end up in the public system and to meet this demand the amount of funding required for government schooling would increase significantly.
12. We seek to highlight various research studies which support the above positions and counter the rationale and recommendations from the Commission. These include scholarly research regarding Religious Education, a Churchill Fellowship investigation into global best practice for Religious Education, Australian Census data, and findings from the 2015 Review of Special Religious Education and Special Education in Ethics in NSW Government Schools', Department of Education & ARTD Consultants, 2016.

Thank you for your consideration of the faith communities. Further elaboration for some of these positions is contained herein.

Murray Norman
CEO Better Balanced Futures



KEY CONCERNS FROM FAITH COMMUNITIES, REGARDING CHANGES TO DGR SYSTEM

The government has a goal of doubling giving (through donations AND volunteering of time by 2030. We seek recognition and support of the vital role that the faith communities already (and will continue to) play in achieving this goal.

13. The Government has articulated a goal for Australia of doubling philanthropic giving by 2030. There has always been a strong connection and contribution between faith and philanthropy. The current economic climate, and the specific removal of DGR status from religious initiatives such as Religious Education in government schools, and private school building funds, is unlikely to support an increase in philanthropic giving. Instead, the recommendations in this report will create pressure on these two vital initiatives.
14. Independent schooling is the fastest growing sector of education, and needs to be supported, not put under pressure. Further, Religious Education provides well-researched community-wide benefits of youth wellbeing and social cohesion, and represents Australia's largest planned weekly group of volunteers. It is therefore inconsistent with the government's goal for Australia to remove DGR status from these religious initiatives. If giving is to double, then a better approach would be to strengthen the governments support of both these initiatives, as the faith communities lead the way to greater philanthropy throughout our society.
15. If we want to see generosity increase, amidst huge increases of cost of living for the average Australian, why are we making it harder for our largest weekly group of volunteers?
16. Many in faith communities see it as part of the outworking of their faith to be generous. If we want to see this increase, why are we making it harder?

School building funds are slated to lose their DGR status. In our representation of the Faith Communities, we do not support the recommendation to remove DGR status for school building funds.

17. This will make it more difficult for non-government schools to continue to provide quality education, and many of these schools are low-fee schools.
18. 35% of Australia's youth attend non-government schools – and government funding to these schools is vastly lower than that which is provided to government schools.

19. The Commission uses an argument that DGR status was bestowed on independent schools in the 1950s, when no other government support was provided to these schools. Now that there is some other support provided, the argument is that the support through DGR status is no longer needed. This is not a well-considered argument. There is no reference or research to the small amount of funding a private school receives, compared to a government school. There is no reference to the large amount of low-fee schools, and there is no reference to the fact that it is the non-government schools that are needing to expand, to meet the demand of Australian families. There is also no reference, recognition or gratitude to the many Australian families who support our education sector with donations from their own families. There is, however, an inference that families who donate receive benefits in kind from the education institutions. School building projects are usually long-term plans, with donations from one year often spent well into the future. We would like to propose that instead of insinuating that families are involved in something untoward, that the Australian Government, through maintenance of the DGR status of school building funds – and any other additional means possible – continue to support these generous families that are already aligned with the goal of increasing philanthropy in Australia and are in fact helping fund the education of 35% of our nation's youth.
20. As the sector of education that is the fastest growing – is it not a good thing that the government is supporting it more than it did in the 1950s? As opposed to being evidence that the government should remove some of its support (by withdrawing DGR status)?
21. Further to this – the pressure on Australia's education system is well-known, with large teacher shortages. Why would the government agree with the recommendations in the Commission's report, and put further pressure on 35% of Australia's schools?

Other faiths disadvantaged by removal of DGR status for school building funds.

22. Australia is the most multicultural nation on earth – in Sydney alone, 61% of families speak a language other than English at home. Census data tells us that over 60% of Australians identify with a religion. Faith is not a minority issue.
23. In light of this, there are concerns expressed from faith communities regarding the removal of DGR status will result in unfair treatment of the schools they are seeking to provide in the future for their young people.
24. For example, the Hindu community has seen many other faith groups access DGR status for the generous donations from within each faith community for the building of schools. With DGR status slated to be removed from school building funds, how is this a fair treatment for the Hindu community? The same can be said for our Muslim communities and many others. Each is not seeking special

consideration – just the same privileges that were able to be accessed for the last 70+ years by all other faith communities.

25. For the Hindu community in particular, this will be an embarrassing change to make politically, considering the increased government focus on relationships with India.
26. Please see appendix for letter from Surinder Jain, Vice President of the Hindu Council of Australia.

Misalignment with the Alice Springs (Mparntwe) Education Declaration.

27. This Education Declaration states “that all Australian Governments will work with the education community to support all education sectors – government, non-government, secular and faith-based education”. The recommendations from the Commission regarding the removal of DGR status are a step in the wrong direction, and do not align with the Education Declaration.
28. We would like to ask the Commission: “How is removing tax deductibility from private donations into our education system for young people a positive step for our young people and their education? How is the Alice Springs declaration being upheld here?”
29. The declaration document also outlines that “Learning is a partnership with parents, carers and others in the community, all of whom have a role to play in nurturing the love of learning needed for success at school and in life.”
30. If this is the case, and the wider community has a vital role to play in learning, why are we now proposing to remove the tax deductibility of their donations towards this education?
31. The Mparntwe Declaration states the importance of spirituality as part of the national well-being framework. In NSW, for example, parents are given choice of participation, and in Primary Schools over 70% of parents choose religious education for their children. Special Education in Ethics is a key choice for parents as well, who seek a non-religious option. Why is it that this ethics option is recognised as having community-wide benefit for the 10% of SRE / SEE students in NSW who do that, but the faith-based options that are chosen by 90% is not seen as having community-wide benefit? It appears to stem from an anti-religious underpinning. Does this imply that the Commission is seeking to advance philosophical education over religious education? In our opinion the parents should be able to make this choice for their child, rather than the government making that decision.

Religious Education classes in government schools are also scheduled to lose their DGR status. We do not support the recommendation to remove DGR status from Religious Education in Government Schools.

32. The Religious Education volunteer teachers are the largest group of planned weekly volunteers in Australia – over 11,500 volunteers every week. In overall numbers, these volunteers are second only to Surf Lifesaving volunteers.
33. As the leading group of weekly volunteers in Australia, and in light of the government's goal to double giving by 2030, we propose that the rationale behind removing DGR status fails to recognise the vital contribution that this group makes. Should not Australia be celebrating this group, rather than removing a vital part of their funding support through the removal of DGR status? We believe the Australian Government needs to be making it easier for these volunteers to serve our young people and the wider community, not harder.

Removing the DGR status for both these groups seems to be based on their association with religion, and the Commission's rationale that religion does not represent 'community-wide benefit'. The only charities currently recommended to lose their DGR status are religious ones.

34. This completely ignores the community-wide benefits that religion and its many associated initiatives provide – not least of which is education.
35. In fact, the report uses the eligibility hurdle of needing to 'provide greater community-wide benefit' as evidence of suitability for DGR status and therefore infers that religious activities do not bring greater community-wide benefit. We believe that this rationale is not guided by current research into this area (see appendices).
36. Is this the conclusion that the government wishes each of the faith communities to believe – that the government considers that religion does not engage a greater level of community-wide benefit?
37. How is it possible to draw the conclusion that the education of 35% of Australia's young people does not represent "greater community-wide benefit"? We would like to ask the Commission – compared to what?
38. If we take this line of thought to its fullest conclusion – then no entity should be eligible for DGR. Not everyone owns an animal. Not everyone goes to the beach. Not everyone faces each of the social or economic difficulties or situations that these charities with DGR status represent. We believe that this is not a useful argument for evaluating DGR status, if the end result is that the entities that (1) educate 35% of our young people, and (2) represent the largest group of planned weekly volunteers, lose their DGR status.

Many recent research studies show the enormous benefits of Religious Education

39. Religious Education provides greater levels of student well-being, delivers key psychological benefits and fosters greater social cohesion. Whether you are a person of faith or not, promoting greater understanding amongst different communities, and a greater level of social cohesion, is a strong community-wide benefit – in particular for multicultural Australia.
40. Please see attached appendices, highlighting some of the research available. We have also attached the Churchill Fellowship publication, researching world's best practice into Religious Education.

APPENDICE #1:

A SELECTION OF COMMENTS FROM MEMBERS OF THE FAITH COMMUNITIES

(NB: We have received many, many more than this – this is just a representative selection):

My wife and I have been Christians for over 50yrs, during which time we have been eager to contribute both time and money to support faith-based programs and other initiatives to bring benefit to the community where we live and other areas of need. We have been SRE teachers for decades and agree with research and our personal experience in the schools we have served that show that SRE provides very significant benefits not only to the young people being taught but also to the whole school culture. We are aware that SRE teachers make up the largest volunteer labour force in Australia and that very many beneficial programs in our government and community have been developed from Christian initiatives. It is amazing therefore that the Productivity Commission would even consider imposing limitations on SRE and other clearly beneficial faith-based programs. We have also, over the years, supported faith-based schools by financial donations and volunteering of our time for many construction and other projects, and we are aware that, should DGR status be removed from this faith-based education sector, there would be a significant negative financial impact on the whole of the education system. Like most Christians we are highly motivated to contribute time and money to worthwhile causes, particularly, but not exclusively in line with our faith commitments, and we believe that the DGR system should be designed to recognise and encourage that motivation and allow us to maximise our effectiveness in those areas. (**Christian** – name withheld upon request, for privacy)

We know how important education is to the development of a child, so making for a better teen and in the end, a better society. This education needs to give the child a good sense of self, confidence and understanding the part respect of others plays in making for a better community. Understanding who you are, your background and your spiritual self is what SRE can contribute to that part of the child, even if it takes up such a small part of the school day. Australia is a large multicultural society which is suffering badly at present, making this program even more VITAL. This can be lost when all is thrown into the cooking pot. I believe that it would be tragic if this program is culled, for the children as well as for the larger community long-term. (**Jewish** – name withheld upon request, for privacy)

This review appears to be of an ideological nature and could be reconstructed for a different outcome. For those with PAF's who are required to donate to those with DGR status the proposals seem to limit this opportunity while indicating a desire to grow philanthropy! In the area of SRE, it is well known that a healthy adult needs to be well cared for physically, mentally, emotionally, and spiritually. The importance of SRE and chaplains is well demonstrated. Those who deliver SRE are the largest or second largest volunteer community we have but require the tools and training to do their job. This is an area where people with modest means can contribute to the social cohesion of the country. Unless Government wishes to deny the value of SRE, it is suggested that this community good comes at little Government expense. In the case of school building funds, I have been to State Schools with brilliant newish facilities funded by taxpayers in general. I know that parents in the growing non-government sector are in effect subsidizing other general taxpayers with donations to school building funds. And by no means are they all "rich"

people or people of faith. Claiming that those donating to these funds means that they are donating to themselves is a spurious argument. I know that given the time and effort required to raise funds, timing of construction etc., many donors may never get to experience the fruit of their philanthropy or may do so only for a brief period. In my experience philanthropy is about people identifying opportunities to make a difference. Why is the Productivity Commission trying to control people who want to make a difference? **(Christian – name withheld upon request, for privacy)**

Without DGR concessions for donations, giving would reduce significantly. Although most people donate out of a desire to help faith-based organisations and schools to provide better balanced education and help people in need through the many faith-based organisations providing day to day care and counselling across a wide range of services. We need high quality special religious education to give our children a balanced education and become better citizens. I personally benefited from religious education in the public school system and gave myself a broader outlook than just a slanted view. This helped me in developing a working career with values that reflect consideration of those in authority and eventually those working for myself. Even with DGR status faith-based organisations have to rely on a large volunteer basis and these days make sure they comply and have appropriate approvals to work with kids or vulnerable people. Without DGR status this impact would be severely diminished. I don't see those pushing for a reduction in DGR status offering a substitute for these services. The faith community provide a significant part of the services and volunteer base that the governments would need to replace. The investment by government to replace helping the needy and providing education facilities would be almost impossible to replicate. **(Christian – name withheld upon request, for privacy)**

As a long-term scripture teacher and coordinator I rely on the curriculum supplied by Youthworks and their support in all things scripture related. I would find it extremely difficult to continue without them. Youthworks, among others, need financial assistance and DGR is a great way for government to show support for the positive results that are seen from faith organisations working in schools. **(Christian/Anglican – name withheld upon request, for privacy)**

In general we tax things we think are harmful to the community such as cigarettes and we give tax relief to things that benefit the community. SRE does a world of good and is made possible by an army of volunteers. It is literally multiculturalism in action, as the largest volunteer organisation outside of Surf Life Saving Australia, turns up every week to teach students in the faith of their family. I come from a family of strong volunteers. My mother was a volunteer SRE Teacher. My Father and myself and my two daughters are volunteer lifesavers with the Bronte SLSC. Volunteering is what makes Australia great! Please keep the tax deduction so that coordinators and organisations like Youthworks can keep supporting the vital work in our schools for hope, kindness and connection to something bigger than ourselves. SRE makes a valuable difference in the lives of young people and we should support it. Please keep this vital and unique teaching experience that helps build student identity and gives students of all backgrounds an opportunity to celebrate their culture and their religion at school. This diversity must be supported and nurtured. **(Christian – name withheld upon request, for privacy)**

I am writing to you on behalf of the Sikh community in Australia to submit our request for the improvement of access to Deductible Gift Recipient (DGR) status, particularly for school building funds and Special Religious Education (SRE) funds. We believe that such access will not only help our community grow and flourish but also contribute positively to Australian society as a whole. The Sikh community has been an integral part of Australia's diverse cultural fabric for decades. In recent years, due to various economic and social factors, including educational opportunities and a safe environment, there has been a significant increase in the number of Sikh migrants, particularly from Punjab, India, settling in Australia. This migration trend is expected to continue, making Sikhs one of the fastest-growing communities in the country. Our community places immense value on education and cultural preservation. Sikh school students currently make up 1.3% of the Australian school community, and this percentage is projected to grow even further in the next census. As a result, the Sikh community finds itself in the unique position of needing to facilitate education for a larger proportion of our population compared to the average Australian community due to recent migration. One of the key challenges we face is the increasing cost of real estate in Australia. Unlike in previous decades, a significant portion of our community's funds is now dedicated to purchasing land and infrastructure for educational institutions. In this context, access to DGR status for school building funds would greatly alleviate the financial burden on the Sikh community and enable us to invest more in quality education for our children. Furthermore, the Sikh community is not concentrated in a single urban centre; rather, we are spread throughout Australia, often settling in agricultural communities. This dispersion presents challenges in hiring qualified teachers for Sikh Religious Education (SRE) classes, where we aim to pass on our rich cultural heritage, including knowledge of scriptures written in the Punjabi language, to the younger generations. Access to tax-deductible support for SRE funds would allow us to provide the necessary resources to hire qualified teachers and preserve our cultural and religious identity. The Sikh community has a long history of contributing positively to Australian society. Sikhs have faced persecution throughout history and have struggled to maintain their faith, making educational and cultural initiatives critical for our community's continuity and well-being. Additionally, Sikhs have made significant contributions to Australia, including their participation in both World Wars and their dedication to community service.

In conclusion, we kindly request that the Productivity Commission consider our submission to improve access to DGR status for school building funds and SRE funds for the Sikh community in Australia. This would not only assist us in continuing our cultural and religious traditions but also contribute to the broader Australian society by fostering diversity, inclusivity, and education. (**Sikh** – name withheld upon request, for privacy)

The proposed regulations based on the Productivity Commission's recommendations regarding DGR status for SRE and faith-based schools is a very retrogressive step. Many of the faith based organisations fill the gaps where the governments, at state and federal levels, are not able to, either due to lack of information or lack of manpower or both. These faith based organisations also provide a conduit for many to express their compassion, a fundamental human quality. The proposed changes will adversely affect the donations, at a time when many regional wars are taking place and climate based calamities are rising. My community is extensively involved in supporting the victims of floods and bushfires. The Sai School in Murwillumbah in NSW, run by the Sai Organisation, charges no fees. Donations by its members provide funds for the building and day to day expenses. The Sai Organisation

and Hindu organisations here do extensive service locally and internationally. I, along with my associates, urge reversal of this recommendation. (**Hindu** – name withheld upon request, for privacy)

I'm from a community up in a rural area. I am a volunteer Christian SRE teacher who is aware that these classes might be the only way they hear about who & what the Christian religion is based and the proven benefits for the individual & community in the long run... I am concerned that if the proposed DGR reforms go ahead, removing tax deductibility from SRE, this will have a negative effect on the ability to provide sufficient materials & in some cases paid SRE teachers. (**Christian** – name withheld upon request, for privacy)

Donations to building funds etc for private schools are important especially for a faith group that did not receive any land grants at the outset. The donations to the building funds etc that are tax deductible help parents to support their children's education. In the full scheme of things the amounts involved for Greek Orthodox and probably all faiths are not a great dent in the national budget but are popular amongst voters. Parents contribute from their disposable income to pay school fees to ensure a private education in their faith and according to their values and any support is welcomed. It also needs to take into account that our church carries out an immense welfare effort at the local level without seeking tax exemptions.

For instance churches might have a charity box "For the poor" or the priest is authorised to assist anyone (and I mean anyone in genuine need to pay utilities, for food vouchers etc).. All parishes throughout Australia make special collections throughout the year such as the Christmas Bowl or annual Christmas gifts to the childrens' hospital or charity food drives to feed the poor (goods are delivered to other charities to distribute). Our charitable efforts are directed to the entire community not just Greek Orthodox. We do not seek publicity or deductions for these manifold efforts which individually are miniscule but which in total are massive and probably far greater than the building fund exemptions. (**Greek Orthodox** – name withheld upon request, for privacy)

The lessons that I teach as an SRE teacher encourage respect for other people and care for the needs of others. Research has shown that such religious beliefs lead to more volunteering and care, values which build a healthy and tolerant Australia. Also, my children attended a faith-based school for part of their education and it was what they needed at that time. Supporting Faith-based schools and SRE gives parents the options they need to make good choices for their children. (**Christian** – name withheld upon request, for privacy)

This proposal would be devastating for low fee-paying non-government schools which depend on DGR status to construct new school buildings and other vital infrastructure, currently providing 35% of education to our children. Children coming from low to medium earning family households across Australia. The government has a responsibility to protect the funding mechanisms which are vital to the viability of low fee-paying schools especially in regional and remote Australia where student numbers are reduced and capital is scarce, Non-government schools support parental choice and play a vital role in taking funding pressure off the government school sector. (**Catholic/Christian** – name withheld upon request, for privacy)

I think my teachers would be feeling more supported financially through it. They take time out to volunteer their services to benefit students, sometimes travelling long distances to reach their schools. What drives our volunteers at the moment is their desire to see their students thrive. However, the truth is that volunteering without any kind of support is not sustainable for many people. (**Muslim** – name withheld upon request, for privacy)

The Productivity Report's recommendations suggest an alarming ignorance of the wide social benefits to the community from religious education in our public schools, not least the foundations of democratic societies, loving others especially those different to us, the importance of volunteering (testified by the number of SRE teachers volunteering in Australia), and the grace of giving generously to others. The basic message of Christianity is 'it is better to serve than be served'. Why would any government try to hinder the spread of this message when trying to multiply giving and volunteering? (**Christian** – name withheld upon request, for privacy)

The proposed DGR reforms place no value on the term "freedom of religion". As an Australian and as a practising Christian I believe this is a basic right. Children in public schools have the right to receive Scripture lessons if their parents desire them to do so. Please do not remove this right from families. I have heard rumours these classes may be moved to after school time: such a decision would only inconvenience working parents further. Children should have the right to have an education that includes reading, writing and religion. Furthermore, private schools may well be attended by many well off families but they are also supported by families that prefer this type of education. These families work hard to give their children a private education and don't lean heavily on the public purse. Should funding be decreased for private schools their fees will rise. Due to the fee rises, the government risks a rise in public school attendances which are already crowded and suffering teacher shortages. Once again choice will be taken away. (**Christian** – name withheld upon request, for privacy)

Like many immigrant groups, Buddhists who have moved to Australia face the task of maintaining their religion and culture in a new setting. Unlike some other groups, they usually have limited resources to do this. Tax deductibility is one way of helping communities maintain the organisations-for example the Pal Buddhist School-through which they can support and share their culture and their faith. I hope very much that such tax deductibility will be maintained. (**Buddhist** – name withheld upon request, for privacy)

DGR is very important support given by the government for the Hindu community. We feel that in every teaching we give thru value based and religious education in our community and others we try to show ones in society and try to motivate all to become positive contributors to the Australian society at large. All our monks and volunteers work for free and our activities are all on donation basis and we have no other means of support. So giving us DGR is some support for us. Please think of the children's future to take away our support. (**Hindu** – name withheld upon request, for privacy)