

**Submission re Future Foundations for Giving
(proposed removal of DGR status for giving to Special Religious Education in schools)
Shire East Area SRE Board, Sydney, NSW**

The Shire East Area Board (SEABoard) is a sub-committee of SU Generate. The SEABoard is a combined arrangement of 5 local churches in southern Sydney from a variety of Christian denominations who administer the provision of Combined Christian Special Religious Education (SRE) in four local high schools. The SEABoard has an excellent relationship with each school executive and community at Cronulla, Woollooware, Caringbah and Endeavour High Schools.

The SEABoard is comprised of voluntary representatives of the following churches:

St Phil's Anglican Church Caringbah
Caringbah Presbyterian Church
Eastcoast Church (Australian Christian Churches)
Caringbah Baptist Church
St Andrew's Anglican Church Cronulla

The SEABoard employs a fully trained SRE teacher on a 1.5 FTE permanent part-time basis to teach weekly at Cronulla and Woollooware High Schools during school terms. The SEABoard also pays for casual teachers at Caringbah and Endeavour High schools when volunteers are not available.

In addition to providing SRE teachers to these schools, the SEABoard provides community welfare in consultation with the schools including food hampers and grocery gift cards for families in need. With the permission of each school, Bibles are also provided free of charge to students who wish to have one. All these additional community services are provided voluntarily by the local churches who are members of the SEABoard.

The average budget per annum to employ the permanent part-time teacher and casuals is approximately \$30,000 (including superannuation and administrative fees). 100% of this funding is made possible through donations from members of the 5 participating local churches as well as direct donations from the member churches.

The DGR status of SU Generate for the purposes of giving to SRE is crucial. At least 50% of the donations received are from individuals who rely on the tax deductibility of their contributions to be able to give the amounts they do. There is no private benefit received by the donors. It is an expression of their faith to give to the religious education of young people so they can explore issues of faith in their formative years.

In addition to regular giving, the SEABoard holds an annual fundraiser attended by members of the local church communities to boost funding. In the past, these fundraisers have been

trivia nights held in local churches or indoor mini golf. The SEABoard relies heavily on the tax deductibility of contributions received at these fundraising events to attract attendees.

Importantly, SRE contributes to the wellbeing framework within the NSW Department of Education school curriculum. This education is being funded by members of the community and local churches as a community service. The removal of DGR status for giving to religious instruction would significantly impact organisations like SU Generate who are responsible for the delivery of high quality SRE programs.

While the SEABoard agrees with the Productivity Commission's goal of increasing the number and types of charities eligible for DGR status, we don't believe this should be at the expense of charities who are providing Special Religious Education in schools, funded by grassroots members of faith communities across Australia.

In relation to the Productivity Commission's proposed principles-based approach in determining which charities should be eligible for DGR status, we make the following comments in relation to providers of SRE:

1. there is a rationale for taxpayer support because the activity is expected to generate net community-wide benefits and would otherwise likely be undersupplied by the market.

There is an intrinsic link between formative religious instruction in childhood years and religious service in adult years, including service to the wider community on a voluntary basis. In addition, the NSW Department of Education has recognised the community-wide benefit of SRE by including it in the wellbeing framework of their curriculum. If SRE was not provided by local church members, there would be an undersupply of religious education for young people in the school setting.

2. there are net benefits from providing government support for the activity through subsidising philanthropy using a tax deduction for giving (as opposed to other government funding mechanisms, like grants)

As many of the donors to SRE are individual taxpayers who are supporting SRE as an expression of their faith, we believe subsidising this philanthropic giving by using a tax deduction for giving is the best way to provide government support.

3. the activity is unlikely to create a material risk that tax-deductible donations can be converted to private benefits for donors

Donors to SRE do not derive any private benefits from their philanthropic funding of equipping future generations of Australians with religious education.

The SEABoard is a multi-denominational expression of the local Christian church in Australia. We would ask that the Productivity Commission respectfully consider the important contribution of faith communities to our wider local communities, including our local high

schools in the provision of religious education. We respectfully request that the DGR status of giving for Special Religious instruction in schools in Australia is preserved.

Kind regards

Shire East Area Board (a sub-committee of SU Generate)