

9 February 2024

Philanthropy Inquiry  
Productivity Commission  
GPO Box 1428  
Canberra City ACT 2601

Dear Productivity Commission,

**Re Productivity Commission's Draft Report Future Foundations for Giving,  
released 30 November 2023**

Stella Maris College (SMC) is a Catholic independent school, founded in 1931 by the Sisters of the Good Samaritan. The College is located on the Northern Beaches of Sydney and educates girls from Year 7 to Year 12 with a current enrolment of just over 1000.

As a secondary college of Good Samaritan Education, the Stella Maris community embraces the Benedictine values espoused in the Good Samaritan Teaching and Learning Framework and the Good Samaritan Schools Mission Framework. At SMC, we focus on four of these as our core values: Stewardship, Community, Peace and Justice, and Hospitality. These values are evident in every aspect of college life including giving at the College.

We are writing regarding the Productivity Commission's draft recommendation to withdraw Deductible Gift Recipient (DGR) status from building funds in primary and secondary schools and request that the Commission reconsiders this recommendation.

As SMC looks toward future capital development, forecasts indicate the need to rely heavily on the receipt of donations from families, alumni and other benefactors in order to undertake these projects. Tax deductibility is an important incentive to giving and without a DGR endorsed building fund, the quantum of funds donated, and the development we foresee for SMC and the school community would stall.

Given the age of our school, building refurbishment and development at our campus is important to allow us to maintain and enhance the learning opportunities for all our students as well as to meet future demand for student places. Increasing school fees alone is not a sustainable way to fund capital projects and we do not receive government funding for capital development, therefore donations from our community are essential to help us advance education at SMC. Forecast development includes refurbishment of one of our oldest buildings, the addition of a hospitality kitchen and modernising general learning areas. Longer-term development includes a purpose-built



facility for senior students, the expansion of music facilities, a new canteen and a physical education precinct encompassing an indoor assembly area, which the College does not currently have.

We have a broad range of financial capacity within our families at our school meaning we are not able to increase fees sufficiently to cover capital projects without placing significant financial stress on our lower income families. It is also important that we do not increase fees to a level where a faith-based education becomes out of reach for many families. Tax deductibility incentivises families with greater financial capacity to make voluntary contributions in addition to school fees. Contributions received via building funds do not subsidise school fees charged to families. We are committed to ensuring the acceptance and use of donations is fair, transparent and for the benefit of the entire school community – past, present, and future.

In the Benedictine tradition, SMC giving extends beyond capital projects. We have a long history of social justice initiatives in our school community. In 2023 our student community led fundraising initiatives for a wide range of charities including Bear Cottage Hospice for Children, Caritas and the Northern Beaches Women's Shelter. Students, our staff and their families volunteered their time for charitable causes including St Vincent de Paul.

As is tradition over many years, new capital development at our school is also available for public use. SMC's facilities are used by the community during term time as well as the school holidays. In January this year we had three school holiday care providers using SMC school facilities. Together they provided over 2,500 holiday care places for students over a three-week period. In 2023, SMC facilities, via school holiday care providers, provided over 7,500 holiday care places for students from ages 5 to 14. At other times in the year, we host local dance and theatre groups as well as local primary schools for their mid-year and end of year performances.

In summary we urge the Commission to reconsider its recommendation to withdraw Deductible Gift Recipient (DGR) status from building funds in primary and secondary schools. DGR endorsed buildings funds are a way to incentivise the community to contribute to essential capital works which benefit the broader community, will advance the education of generations to come and reduce pressure on fee increases.

Yours sincerely

**Elizabeth Carnegie**  
Principal