



**ST ANDREW'S**  
CATHEDRAL SCHOOL

**Friday, 9 February 2024**

Mr A Robson  
Presiding Commissioner  
Productivity Commission

Dear Mr Robson

**Submission on Productivity Commission's review of philanthropy in Australia**

On 1 December 2023, the Federal Government released your draft report called Future Foundations for Giving. One of the report's recommendations is the removal of deductible gift recipient (DGR) status for school building funds.

If implemented, parents and other donors would no longer receive a tax deduction for the voluntary donations they make to registered school building funds. This would have the potential to substantially reduce such contributions and make it more difficult for schools to undertake much-needed capital works.

We wish to submit the following comments about the draft report, and this recommendation in particular:

1. The report comments about the considerable expansion of government support for schools since 1954, which reduces the rationale for school building funds to have DGR status. Whilst there may have been expansion in funding of operating expenses, the same is not the case for funding of capital expenses such as building works. More needy schools can apply for capital grants from the NSW Government. However most schools are required to fund capital works from operating surpluses or fundraising activities. The DGR status of school building funds greatly enhances the ability of schools to fund these much needed works, in a context of rapid growth in the sector and increasing building costs
2. The report also states that the potential for a donor to be able to convert a tax-deductible donation into a private benefit is especially apparent for primary and secondary education, particularly where students are charged fees. School building projects result in valuable education-enhancing assets that provide benefits across generations of students. Whilst it may be that current parents may make donations to fund these works, the majority of the benefit is unlikely to accrue to them and their children through improved facilities, but be available for many years into the future. Further, other members of school communities (including alumni) often make substantial contributions towards these projects and do not receive any material private benefit in exchange.

Removing the DGR status for non-government school building funds will only reduce contributions from donors and restrict non-government schools' capacity to meet future demand for student places. This will then shift more of the financial burden of providing the necessary classroom places for our state's children onto governments, who will be forced to build new capacity in government schools at a higher cost to taxpayers than the current DGR-based system.

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On behalf of our students, families and the wider school community we ask that the Productivity Commission withdraw this recommendation from its final report.

We appreciate the opportunity to make a submission on this important work and look forward to the Commission's final report.

Yours sincerely,

Nicola Warwick-Mayo  
**Executive Director School Services**