



**PLC PERTH**  
PRESBYTERIAN LADIES' COLLEGE

9 February 2024

Ms Danielle Wood  
Productivity Commission  
4 National Circuit  
BARTON ACT 2600

Dear Ms Wood

**Response to the Australian Productivity Commission's Recommendation on DGR Status for Building Funds in Primary and Secondary Schools**

I am writing to express my apprehensions regarding the recent recommendation by the Australian Productivity Commission to withdraw Deductible Gift Recipient (DGR) status from Building Funds in primary and secondary schools. While I recognise the Commission's aim to streamline policies, I believe this recommendation would have negative cascading effects on both the private and public education sectors.

The availability of DGR status for PLC's Building Fund has been instrumental in facilitating efforts to improve infrastructure that is utilised both by the school and the much wider community. This has generated broad 'social capital' benefits, contributing to more community-based events and opportunities, volunteering, and the formation of wider social networks far beyond the school itself.

Critically, donations received to the School Building Fund have assisted in keeping downward pressure on the school's requirement to increase tuition and other ancillary costs.

Withdrawal of DGR status would inhibit philanthropic support for essential projects, compelling the school to fund the shortfall and pass on costs of necessary infrastructure development or refurbishment. This, in turn, would layer on more cost for parents, leading to financial strain for many of our families and potentially forcing some to reconsider their enrolment.

Our students come from a wide range of backgrounds, including scholarship students from across WA, international students, girls from rural and regional areas and a significant proportion of indigenous students.

The ripple effect of increased costs would see families who are already under cost-of-living stress opting to leave the school, moving their children to the public system. This would place even greater pressure on the already challenged public schools in our catchment.

Productivity Commission Deputy Chair Alex Robson has said that DGR eligibility should be guided by three simple economic principles: whether activities are expected to generate net community-wide benefits; whether subsidising donations is the best way to support those activities; and whether there is a material risk that tax-deductible donations can be converted to private benefits for donors.

PLC has a proud tradition of never compromising on the value of education and has never offered fee discounts to donors throughout the school's proud history.

Additionally, it's crucial to highlight that donors to our Building Fund contribute altruistically without seeking personal gain from their generosity. The impact of their donations extends far beyond the immediate, as school projects funded through their support are not only rare, but span well beyond any one student's tenure, benefiting future generations and the wider community.

More broadly, donations by supporters to schools, including parents and alumni, help fund scholarships, capital projects and libraries – key priorities that are not typically covered by either government funding or school fees. The fruits of these generous donations are enjoyed by the entire school and often by the broader community.

Primary and secondary schools play a vital role in educating Australians and in providing access, equity and opportunity. Many schools – like PLC - also make their buildings available for community use. The Commission's recommendation would make Australia an outlier in its treatment of donations to primary and secondary schools compared to most economies with philanthropic cultures around the world. Furthermore, this is out of line with global best practice.

Collaborative efforts between the government, private schools and philanthropic donors are crucial for sustaining a diverse and resilient education system that meets the needs of students and families in all Australian schools.

We urge the Australian Productivity Commission to reassess its recommendation with consideration of these concerns and a thorough examination of the implications.

Thank you for your time and attention to this matter.

Yours faithfully

Mogen Lewis  
**Chair of Council**

Cate Begbie  
**Principal**