

Response to the Productivity Commission- DGR Status for School Building Funds

This response has been prepared by Pymble Ladies' College ("College") to provide feedback to the Productivity Commission following the issue of the draft report "Future Foundations for Giving". It is our intention that this response will also be forwarded to our local Federal MP. In the opinion of the College, the recommendation of the report to remove DGR status for school building funds is based on assumptions which are seriously flawed. The following matters are noted in support of this assertion:

- a) The College has 2425 students enrolled, of which 130 are boarders primarily from rural Australia. The College employs 520 fulltime and part-time permanent staff and up to 570 casual staff. The College was established in 1916 and has been and remains an integral contributor to the local community.
- b) As is the case with most non-government schools, the College is a not-for-profit entity which is registered with the Australian Charities and Not-For-Profits Commission (ACNC) with the charitable purpose of advancing education. This recognition of the importance and public benefit of non- government schools in education Australia's young people underpins the DGR status of the College building fund both to ourselves and other schools in Australia.
- c) The College relies on the building fund to help finance its capital works programs, which are essential to meeting demand from families and ensuring educational facilities are upgraded and fit for purpose to meet modern practices.
- d) More than one-third of all students in NSW attend a non- government school. The State Government relies on schools like ours to ensure there are enough places for all students in NSW.
- e) To date, and in common with almost all non- government schools, the buildings and resources needed to accommodate the growth of our school has been substantially funded by families, alumni and other donors through the school building fund.
- f) The College has received no capital funding from government since the BER program.
- g) The removal of DGR status from school building funds would therefore have a significant impact on our school community and on thousands of others around Australia. It would seriously jeopardise the ability of the College to raise the funds necessary to provide and improve our teaching and learning infrastructure.
- h) The Productivity Commission's report alleges that in the case of school building funds "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.
- i) The claim is not supported by any evidence or data, and it is highly unlikely that such a benefit would accrue to donors. Obtaining a benefit from a donation is expressly excluded in the ATO rules for "Tax Deductible Recipient Funds". If this did occur, it would be grounds to deregister the DGR fund through existing compliance measures.
- j) The concern in the report for any "potential" private benefits needs to be contrasted with the actual benefit of donations that have helped to deliver school infrastructure with a life that extends for many years beyond the 13 years a child is enrolled at school. In most cases, an asset will be completed after the child of the donor parent has graduated.
- k) It is not only the families of current students who contribute to school building funds but also alumni, community groups, philanthropic donors and others through a range of fund-

raising activities. It is extremely unlikely that a community member or alumnus could benefit directly from these donations.

- l) Removing DGR status or non- government school building funds will only reduce contributions and restrict the capacity of non-government schools to meet the demand for future student places.
- m) The removal of DGR status will 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.
- n) On behalf of our students, families and the wider school community we ask that the Productivity Commission withdraw this recommendation from its final report.