



ST PAUL'S COLLEGE

WITHIN THE UNIVERSITY OF SYDNEY

Submission to Productivity Commission Report on Philanthropy

About Us

Thank you for the opportunity to provide a submission in response to the Productivity Commission Report on Philanthropy.

St Paul's College is an Anglican residential College, of and within the University of Sydney. The College was founded by an Act of Parliament in 1854 and has been instrumental in the formation and care of students ever since. St Paul's alumni have gone on to serve as leaders in areas of academia, business, sport, church and politics, including two Prime Ministers.

Currently there are approximately 430 students residing at the College. One third of students receive financial assistance in the form of bursary or scholarship support. This support is almost exclusively funded through philanthropic giving.

St Paul's offers academic, social and spiritual support for its students. There is a wide ranging tutorial programme where students are taught across the spectrum of disciplines. There is extensive pastoral support and social activities that includes sport and cultural endeavours. Furthermore, the College provides spiritual nourishment with seven chapel services each week as well as a wide range of other opportunities to develop student's spiritual life.

Submission

St Paul's College is very concerned that the implementation of Productivity Commission's Report on Philanthropy recommendations will have an extremely detrimental effect on the work of the College, particularly in providing access to the most able students, regardless of their ability to fund themselves. The College is independent from the University and receives no support from the government or University. In this way, it is unlike most private schools which receive support from the government in terms of grants, subsidies and other ongoing funding. St Paul's operates only through the income of student fees and donations. Thus example provided on page 15 in the Commission's report where school funding models have changed since the implementation of DGR status being granted does not apply to St Paul's College because no support is received from the government.

Were the donations for St Paul's to be adversely impacted by removing their tax deductible status, this would immediately impact the operations of the College. The

Draft Recommendation 6.1 recommends the removal of DGR status for religious and other educational activities and all activities in the subtype of advancing religion. If this resulted in the removal of DGR status from St Paul's it will mean that any donations made to the College to provide scholarships or improve facilities will not be tax deductible. This will certainly have a negative impact on the vital philanthropy provided to St Paul's. Those currently making donations to the College do so to provide access for disadvantaged students, particularly those of low socio-economic status and indigenous students. If the DGR status was removed it would almost certainly lead to a less diverse student body and a College only accessible to students from wealthy families. This would have detrimental effects on both the University and the nation more generally, considering the significant impact that St Paul's continues to have on our broader society. With a reduced philanthropic source of funding, vital improvements to College facilities would be unable to be undertaken. Indeed, even sustaining the heritage buildings which have been the backbone of our campus would be hampered due to the cost of their maintenance. As a result, Australia could potentially lose significant architectural heritage.

St Paul's College retains its charitable status because it is serving the common good. This is most obviously validated by the fact that the College has been established by an Act of the NSW parliament. The Act states that the College is "to provide accommodation, education and religious instruction to students and any other class of person". In other words, St Paul's is not a voluntary association which seeks to serve only its members. Rather the College's purpose is to serve the whole of society. Despite the argument of the Productivity Commission's Report that organisations with a religious and educational purpose do not serve the good of the wider society, the fact that St Paul's was established by an Act of Parliament demonstrates that its entire purpose is for the good of a broader group than just its members. The loss of philanthropic tax deductibility would, ironically, significantly impact the scope of the College's mandated work and thus reduce the benefit for wider Australia.

In short, St Paul's College strongly opposes the loss of DGR status for charitable organisations such as us and contends that the implications for the proposed change would have a detrimental impact on wider Australian society.

Rev Dr Edward Loane

Warden