

Submission to the Productivity Commission Report on Philanthropy in Australia.

Private education in Australia is a choice made by parents who wish to have a specific course content that may not be available publicly, or as a matter of conviction over curriculum or educational content. Whilst the basic curriculum of a state must be adhered to, private schools have the option to bring a particular emphasis to various topics that state based schools may not. Further to this, class numbers are generally (but not always) slightly smaller in private education, yielding a lower student per educator ratio than might be generally expected in the public system.

One of the key points with private education is the ability to attract donors for the funding of required infrastructure, whether that be for sporting or public meeting facilities, or new classrooms etc. Key to the level of funding which can be obtained is the ability to receive a form of tax credit which encourages those who are considering a philanthropic donation to consider giving a larger amount. Without the relevant tax credit, there is no encouragement to assist in what may be a necessary manner.

As goes with education, the same can be said for religious institutions, which rely heavily on donors with philanthropic intent. The removal of the above noted tax credits for this form of philanthropy is likewise a recipe to reduce required contributions. Religious institutions are the key to many of the social outreach and assistance programs in communities. Removal of the incentive to help establish the necessary infrastructure reduces the capacity of these institutions to render aid where needed, indeed may eliminate it if key infrastructure can't be constructed.

The converse to the above then becomes obvious: by removing the incentive for people or corporations to contribute philanthropically, the government would create its own spiral of financial need and further budget stresses. It will be forced to increase the number of state schools when private institutions can't expand to cater for increased student numbers. Likewise, if religious and humane organisations can't receive the funding they need, the government will have to step in further than is already required to 'fill the gap' left in meeting the needs of the many.

In a time like this where cost of living is escalating, the number of homeless and destitute is increasing and public education is already struggling for sufficient funding, is it appropriate to remove the incentives for the philanthropically minded to help and as a consequence to thus increase the public burden? This does not seem a logical nor rational process. Should it be pursued, the only logical conclusion is that it is not for public benefit that such a policy change would be enacted but rather to pursue a particular political dogma or belief structure.

I urge the committee to look at the long-term benefits which are gained by allowing a form of deductibility which encourages philanthropy, rather than punishing individuals or corporations for wanting to be generous and thus removing the incentive to be so and increasing pressure on an already overstressed public purse.