



Pacific Group of Christian Schools

Comments to the Productivity Commission:
Inquiry on Philanthropy
& Future Foundations for Giving

By Pacific Group of Christian Schools

15 January 2024

Executive Summary

The Pacific Group of Christian Schools welcomes the opportunity to provide comments to the Productivity Commission to assist its inquiry into how to increase philanthropic giving in Australia. We stand ready to work with the Commission and the Australian Government, as we have done in the past, to provide effective education and build fundraising for the betterment of Australia, our local community, and all of society.

The Pacific Group of Christian Schools focuses on effective teaching, learning and serving excellence. Our desire is to equip our community (students, teachers, and parents) for acts of service so that they make a difference in our world. In preparing our students for tomorrow's world, social problems may evolve that we cannot envisage. That means character development is of prime importance. Character is about values, beliefs, and wisdom.

Pacific Group of Christian Schools wholeheartedly supports the Australian Government's desire to double philanthropic giving by 2030. We see the great impact of philanthropy in our schools everyday, with gifts providing funding for student and staff bursaries and scholarships, and new facilities and infrastructure.

Purpose of Philanthropy

We note your definitions of philanthropy being the “giving of money, time, information, goods and services, influence and voice to improve the wellbeing of humanity and the community” (as per Philanthropy Australia) and “the private giving of time and values (money, security, property) for public purpose”. We have no concerns with either definition. What we would point out is that education, and schools particularly, are at the forefront of delivering these valuable services to the community and for the public good.

In this regard, Lord Macnaghten, in the leading charity law case of *Commissioners for Special Purposes of the Income Tax v Pemsel* [1891] AC 531 at 583, noted that: Page 2 *Charity in its legal sense comprises four principal divisions: trusts for the relief of poverty; trusts for the advancement of education; trusts for the advancement of religion; and trusts for other purposes beneficial to the community not falling under any of the preceding heads.*

Additionally, education of young people brings a lifetime of dividends for the broader community. The benefits for the community will far outweigh the costs of the child's education, and for this reason, education of children needs to be a community and government priority. By encouraging philanthropy to support education, the ultimate benefits to society will far exceed the bottom-line cost to the Government.

“Charity in its legal sense comprises four principal divisions: trusts for the relief of poverty; trusts for the advancement of education; trusts for the advancement of religion; and trusts for other purposes beneficial to the community not falling under any of the preceding heads.”

Lord Macnaghten

Income Streams and Dependence on Government Funding

The Pacific Group of Christian Schools heavily depend on government funding, both from the Commonwealth and State, which is unavoidable given the substantial expenses associated with education. The right of parents to choose a school that aligns with their values, ethos, and faith is fundamental. The schools within The Pacific Group of Christian Schools offer an educational environment that helps the government cater to parental preferences.

Parent communities play a vital role as substantial contributors to the government's consolidated revenue, and they rightfully expect the schools they choose to receive appropriate government funding. Any notion suggesting that independent schools should be excluded or disadvantaged from government funding is misguided and should be firmly dismissed.

While government funding is crucial, it often falls short of covering the entire cost of a student's education. To bridge this gap, additional sources of income must be explored. Apart from parents paying school fees and levies, other revenue streams, such as philanthropy, become necessary. Acknowledging the significant societal benefits of education throughout a student's life, it is imperative that philanthropic support for schools is not only encouraged but also actively facilitated by the government. The recommendation in your Future Foundations for Giving draft report from November 2023 recommending that 'school building funds for primary and secondary schools and religious education would be the main entities that would no longer be eligible for DGR status under the Commission's proposals' is highly disappointing, has undertones of discrimination and is contradictory in terms as it goes against your objective of wanting to double philanthropic giving by 2030.

Independent Schools and the Cultivation of Civil Virtues

The 2019 Social Capital Study by McCrindle Research for AHISA explored the degree to which students in independent schools are encouraged to participate in philanthropic endeavors, encompassing volunteer work, fundraising, direct contributions, or donating goods. The investigation revealed that nearly all students, especially in secondary years, actively participate in service activities. According to the surveyed schools, even in Early Learning and Year 1, approximately 80 percent of students are involved in some form of service learning or philanthropic initiatives. In the year leading up to the survey, Year 11 and 12 students, as well as those in Years 8 to 10, were most likely to have devoted 20 or more hours to volunteering or community services.

The Social Capital Survey highlights that Australian independent schools, such as The Pacific Group of Christian Schools, possess valuable insights into the teaching and integration of civic virtues within the school environment, as well as our community. Each of us has a responsibility in the intergenerational transfer of civic virtues, and in an ever-changing world, it is increasingly important that we help teach and facilitate this for our students. Through the establishment of an environment that fosters service and philanthropy, our schools not only bolster our immediate school community, they also provide support and leave a lasting impact on both local and global communities.

DGR Categories Applicable to Schools

We strongly emphasise the importance of maintaining the Deductible Gift Recipient (DGR) categories utilised by schools, encompassing the School Building Fund, Public Library Fund and Scholarship Fund. Our schools actively encourage their communities to contribute funds to these categories, which, in turn, support the invaluable work undertaken by schools in the realm of education and other areas of public benefit.

For instance, the funds derived from these generous donations play a crucial role in constructing school buildings, providing scholarships to numerous students, including those facing disadvantages, and offering direct relief to school families in urgent and necessitous circumstances.

It was a source of enthusiasm for The Pacific Group of Christian Schools to support the Commonwealth Government's expressed intent to establish an additional DGR category specifically for the promotion of pastoral care services in schools. Given the increasingly intricate mental health challenges faced by students, the creation of a dedicated DGR category for pastoral care could have fostered the expansion of such services within our member schools, directly benefiting many students in need of care and support.

Therefore, it was met with considerable disappointment when we discovered that this proposed DGR category was abandoned in the budget announcement of the previous year, with no accompanying explanation from the Australian Taxation Office.

We strongly urge the Productivity Commission to recommend the reinstatement of this DGR category, ensuring that the mental health and well-being of school students receive adequate priority from the Commonwealth government.

While acknowledging that this tax concession will impose a cost on the government, we contend that the subsequent benefits, including the enhanced mental health and well-being of school students and their valuable contributions to the community over their lifetime, will far surpass this cost. It is our firm belief that programs offering pastoral care to school students should be actively encouraged and resourced by the Commonwealth Government, and the establishment of this DGR category would result in a significant public good.

“Our family has appreciated the ongoing nurturing and support provided by New Hope Christian School. We have enjoyed the true partnership with school staff in regard to our child’s High School journey. We have always felt that our child’s needs were paramount, and we are not only welcomed to, but encouraged to provide input. The consistency this approach have afforded, means our child will transition to the post school world as a happy and curious young man”

New Hope Christian School Parent

Conclusion

The Pacific Group of Christian Schools actively promote and cultivate robust community connections, fostering a culture of volunteering and societal contribution among both their students and the broader school community. The existing Deductible Gift Recipient (DGR) Funds accessible to schools play a crucial role in empowering our schools to finance a variety of services and programs. This includes the provision of bursaries and scholarships, as well as funding capital projects within schools.

The Pacific Group of Christian Schools suggests exploring possibilities for expanding the DGR framework to facilitate additional forms of philanthropy within the school sector. This consideration aims to enhance the capacity of The Pacific Group of Christian Schools to engage in diverse philanthropic initiatives and further support our educational mission.

We appreciate this opportunity to express our views and are available to support the Commission in preparing its report. We are also open to offering more information and participating in forthcoming Commission hearings if needed.

We appreciate your commitment to conducting this inquiry and thank you for taking our comments into consideration.

