

Kotara Christian Education Association Inc. Kotara, NSW
Submission re Future Foundations for Giving
(proposed removal of DGR status for giving to Special Religious Education in schools)

The KCEA Committee is a combined arrangement of seven local churches in the Newcastle, NSW district. We are from a variety of Christian denominations who administer the provision of Combined Christian Special Religious Education (SRE) in Kotara High School. The KCEA Committee has an excellent relationship with the school executive and community in Kotara, having personally served as President of the P & C Association.

The KCEA Committee is comprised of voluntary representatives of the following churches:
Belair Baptist Church, Adamstown.
C3 Victory Church, Charlestown.
Charlestown Presbyterian Church, Charlestown.
Church of the Good Shepherd, Anglican Church, Kotara.
The Grainery Church, Mayfield West.
St Columbia's Catholic Church, Adamstown.
St Phillips Catholic Church, Kotara.

The KCEA Committee employs a fully trained SRE teacher on a permanent part-time basis to teach at Kotara High School during school terms. The KCEA Committee also pays for casual teachers and helpers when volunteers are not available.

With the permission of the school, Bibles are also provided free of charge to students who wish to have one.

The average budget per annum to employ the permanent part-time teacher and casuals is approximately \$5,000 (including superannuation and administrative fees). 100% of this funding is made possible through donations from members of the seven participating local churches as well as direct donations from the members of these and other churches.

The DGR status of SU Generate for the purposes of giving to SRE is crucial. At least 50% of the donations received are from individuals who rely on the tax deductibility of their contributions to be able to give the amounts they do. There is no private benefit received by the donors. It is an expression of their faith to give to the religious education of young people so they can explore issues of faith in their formative years.

Importantly, SRE contributes to the wellbeing framework within the NSW Department of Education school curriculum. This education is being funded by members of the community and local churches as a community service. The removal of DGR status for giving to religious instruction would significantly impact organisations like SU Generate who are responsible for the delivery of high quality SRE programs.

While the KCEA Committee agrees with the Productivity Commission's goal of increasing the number and types of charities eligible for DGR status, we don't believe this should be at

the expense of charities who are providing Special Religious Education in schools, funded by grassroots members of faith communities across Australia.

In relation to the Productivity Commission's proposed principles-based approach in determining which charities should be eligible for DGR status, we make the following comments in relation to providers of SRE:

1. there is a rationale for taxpayer support because the activity is expected to generate net community-wide benefits and would otherwise likely be undersupplied by the market.

There is an intrinsic link between formative religious instruction in childhood years and religious service in adult years, including service to the wider community on a voluntary basis. In addition, the NSW Department of Education has recognised the community-wide benefit of SRE by including it in the wellbeing framework of their curriculum. If SRE was not provided by local church members, there would be an undersupply of religious education for young people in the school setting.

2. there are net benefits from providing government support for the activity through subsidising philanthropy using a tax deduction for giving (as opposed to other government funding mechanisms, like grants)

As many of the donors to SRE are individual taxpayers who are supporting SRE as an expression of their faith, we believe subsidising this philanthropic giving by using a tax deduction for giving is the best way to provide government support.

3. the activity is unlikely to create a material risk that tax-deductible donations can be converted to private benefits for donors

Donors to SRE do not derive any private benefits from their philanthropic funding of equipping future generations of Australians with religious education.

The KCEA Committee is a multi-denominational expression of the local Christian church in Australia. We would ask that the Productivity Commission respectfully consider the important contribution of faith communities to our wider local communities, including our local high schools in the provision of religious education. We respectfully request that the DGR status of giving for Special Religious instruction in schools in Australia is preserved.

Yours Sincerely,

Harry de Vries
KCEA President