

THE
WILLIAM BUCKLAND
FOUNDATION
WBF

William Buckland Foundation response to Productivity Commission inquiry into Philanthropy draft report

About the William Buckland Foundation

The William Buckland Foundation aims to improve the lives of disadvantaged Victorians through grants that support better housing, health, education, and employment outcomes. We also fund initiatives that build resilience in rural and regional communities.

The Foundation which bears his name commemorates William Buckland, a highly successful businessman and pastoralist in the middle years of the 20th century. On his death in 1964, William Buckland left the bulk of his large estate, £925,000 to establish a Foundation. The income was to be used “to benefit a wonderful country and a wonderful people, Australia and Australians”. Today, with careful stewardship by the Foundation’s Trustees, William Buckland’s legacy generates in the order of \$7 million annually which is distributed for charitable purposes. From its establishment in 1965, the Foundation has distributed in excess of \$141 million, The Foundation’s corpus was valued at \$157 million in June 2023.

Response to recommendations in the draft report published November 2023

Draft recommendation	WBF comments
<p>Philanthropic Sector</p> <p>Philanthropy contributes to a better society by providing money, time, skills, assets or lending a voice to people and communities who would otherwise receive lower quality, or have less access to, goods and services.</p>	<p>We endorse this view of Philanthropy and agree with the sentiment that <i>‘Philanthropy can also provide untied, flexible, or long-term funding for more innovative and riskier projects compared to what government funding can offer.’</i></p> <p><i>We suggest that “Giving” could be a more inclusive and accessible term than “Philanthropy” which may be seen by the community to be more the domain of the very wealthy.</i></p> <p>Reform to DGR status, particularly for purpose driven organisations such as Social Enterprises</p>

	<p>and Advocacy organisations will support Philanthropy to play this role in a more meaningful manner.</p> <p>Many social enterprises (organisations that trade to fulfill a social mission) are not eligible for tax concessions and therefore many Philanthropic organisations (including PuFs and PaFs) are unable to grant to organisations other than those with DGR, so social enterprises are often ineligible for grants,</p>
<p>Recommendations</p> <p>The Productivity Commission's draft recommendations would establish firm foundations for the future of philanthropy, so that the benefits of giving can continue to be realised across Australia. The proposals would enable greater donor choice and ensure that regulation continues to support trust and confidence in charities.</p>	<p>It is timely however we believe that more ambitious reforms will be needed to meet the goal of doubling giving by 2030. Initiatives such as nudging giving within the tax return process, facilitating super bequests and a national giving campaign should be given further consideration.</p>
<p>Deductible Gift Recipient (DGR) reforms</p> <p>The Commission's proposed reforms aim to make the deductible gift recipient (DGR) system simpler, fairer and more consistent.</p>	<p>We are supportive of the moves to reform the system to ensure DGR support is provided for organisations operating for public benefit, specifically:</p> <ul style="list-style-type: none"> • the addition of charities focused on advocacy and prevention, a wider range of animal welfare charities and many charities run solely by volunteers. • We do not support the removal of charities undertaking activities such as advancing religion, advancing industry, some aged care, child care and education charities (in particular school buildings funds or to provide religious education in public schools).
<p>Aboriginal & Torres Strait Islander Foundation</p> <p>The Australian Government should support the establishment of an independent philanthropic foundation controlled by – and for the benefit of – Aboriginal and Torres Strait Islander communities to enhance the arrangements linking philanthropic and volunteer networks and funding to Aboriginal and Torres Strait Islander organisations.</p>	<p>As funders in the space, we are supportive of this initiative noting that adequate consultation with Aboriginal and Torres Strait Island communities would be essential and funding provided must be fit for purpose and sustainable.</p>

<p>ACNC reform</p> <p>The regulatory framework for charities is complex and reforms to enhance the role, powers, functions and enforcement tools of the Australian Charities and Not-for-profits Commission (ACNC) are needed to support the high level of public trust and confidence in charities now and in the future.</p>	<p>We are supportive of this initiative but caution against the potential for the creation of more bureaucracy and greater reporting burdens on charities.</p>
<p>Data</p> <p>The Australian Government should create more value for the public from the data collected about charities by improving the ACNC charity register, and collecting and publishing additional data on ancillary funds, corporate giving, volunteering and charitable bequests.</p>	<p>We are supportive of this initiative and endorse Philanthropy Australia's call on the Productivity Commission to <i>'identify and recommend a single comprehensive national data set on total giving and volunteering and its key components, led by a single agency and published annually.'</i> Again we note the need to pay attention to implementing this without increasing the reporting workload of charities.</p>
<p>Other areas of interest</p>	
<p>Super Bequests and PuaFs and PaFs</p> <p>Allowing people to bequest straight from unspent super to charities rather than needing to set up a trust structure.</p> <p>Raising minimum distributions from 4% for PuAF's (Public Ancillary Funds) and 5% for PAFs (Private Ancillary Funds).</p>	<ol style="list-style-type: none"> 1. We strongly support enabling people to bequest straight from unspent super to charities, without the need to establish a trust structure. 2. We support a modest increase in the % of corpus mandated for annual distribution by PuAFs and PAFs. Arguably the case is stronger for an increase in the 4% for PuAFs than the 5% for PAFs. Any increase (especially for PAFs) should be modest only, as any larger increase would erode the attraction to donors of the ability to create a perpetual fund for charitable purposes. There is also the question of whether the current % regime should be preserved - ie grandparented - for existing PuAFs and - in particular - PAFs.
<p>Community Foundations</p> <p>The Commissioners indicate that the recent move by Government to grant DGR to all Community Foundations (in train) is all that is required to unleash their potential.</p>	<p>The WBF has seen firsthand the power of Community Foundations in action and endorses Philanthropy Australia's recommendation that <i>'PC recommend that the Federal Government work with the Community Foundation and broader Philanthropic sectors in a dedicated policy process to develop a strategy to</i></p>

	<i>strengthen and grow Australia's Community Foundation Network.</i>
<p>Trustee Companies</p> <p>The Commission is seeking further evidence regarding the administration of charitable trusts by trustee companies, given changes over the past 10 years that have led to further concentration in the market for licenced trustee services. This includes information about arrangements for switching providers or charging fees, particularly for funds held in perpetuity.</p>	<p>The individual Trustees of the William Buckland Foundation (a perpetual charitable trust) consider the fees charged by Equity Trustees as the licensed trustee company to be reasonable in the context of the considerable professional services provided to deliver to the purposes of the trust. We think an informed discussion of this subject would be beneficial for Australia, but this could only be undertaken with full transparency over services provided and fees charged by all Trustees across the sector.</p>

Submitted by the individual Trustees of the William Buckland Foundation

Jenny McGregor AM, Chair

Ross Barker Chair Investment/ Audit & Risk Committees

David Williamson, Trustee

Miriam Silva AM, Trustee.

Submission to the Productivity Commission’s Inquiry into Philanthropy

The William Buckland Foundation

When businessman and pastoralist William Buckland left the bulk of his estate in 1964 to set up a foundation in his name, he directed through his Will that half the income be divided each year among public hospitals, public benevolent institutions or public benevolent societies in Victoria’, with favourable consideration to be given to charities for children. The other half of the income should be applied to ‘public scientific or public educational purposes in Victoria’.

The Will provided for the Foundation to be managed by a trustee company and four independent trustees and since its inception in 1965, the William Buckland Foundation has distributed in excess of \$141m and in 2023 holds a corpus of approximately \$150m.

The current Trustees of the William Buckland Foundation are proud of what the Foundation has achieved over almost 60 years, and of their record of responsible governance of the funds held in trust and strategic philanthropic support for the charitable sector in Victoria.

As an active member of Philanthropy Australia, we have contributed to the submission Philanthropy Australia has prepared, *A Strategy to Double Giving by 2030* and support the various strategies proposed in this submission.

We draw attention in particular to two of these strategies, which, based on our own experience working in the sector, if implemented, would benefit the growth and effectiveness of giving in Australia.

Unleashing the power of community-led social change:

Our experience of working with charitable organisations around Victoria has highlighted the importance of place-based solutions delivered by place-based organisations. Facilitating the establishment of local community foundations would not only make it easier for people to give locally, but it would also help build a culture of giving, support and engagement. This has been demonstrated by the work of The Benalla Foundation, which The William Buckland Foundation has supported for the past ten years; its Education Tomorrow Today program has delivered significant social capital outcomes as individuals, families, organisations and businesses across the community have become involved.

DGR status for all charities:

This would facilitate the work of foundations where they wish to support an initiative of a specific charitable organisation but are not able to do so because of its DGR status. The William Buckland Foundation has access to legal advice through its corporate trustee. However, for smaller foundations, this could be a more significant barrier to them fulfilling their philanthropic purpose to provide positive public benefit.

Concluding comments:

The Trustees of The William Buckland Foundation commend the strategies proposed by Philanthropy Australia to the Productivity Commission for their consideration. A thriving charitable sector supported by a growth in giving can transform Australian society, making it more equitable, fairer and more innovative. Working in partnership with government and the charitable sector, Foundations have demonstrated their capacity to support long-term catalytic change in the delivery of innovative programs, building capacity in the charitable sector and helping to address entrenched disadvantage.