

Suk Fung Ng

8 February 2024

Productivity Commission
Australian Government
Canberra ACT 2600

Opposition to the Removal of Tax Deductible Gift Recipient (DGR) Status for Religious Education

Dear Productivity Commission,

I am writing to express my concern and opposition to the proposed removal of the tax deductible gift recipient (DGR) status for providing religious education in public schools.

The Commission's view is that converting a tax-deductible donation into a private benefit is, in principle, a substantial risk for primary and secondary education, religious education, and other forms of informal education, including school building funds. The potential for a donor to be able to convert a tax-deductible donation into a private benefit is especially apparent for primary and secondary education, particularly where students are charged fees. Potential donors are most likely to be people directly involved with the school and benefit directly from donations, such as students, their parents or alumni. Most other classes of activities in the education charitable subtype, including formal higher education and research activities would remain within the scope of the DGR system.

The commission suggests that charitable activities that have potential risk of converting a tax-deductible donation into a private benefit should have the tax deductible gift recipient (DGR) status removed. However I don't see why religious education should be on the list. Religious education is often a school-wide program. Within a school of a typical size, donations from parents do not yield benefit specific to their children. In addition, how do alumni obtain direct benefits from a school religious education program? In what ways are donations from alumni to primary and secondary schools different from donations to any Australian university? In tertiary education, it is common and encouraged to donate, both in Australia and around the world.

Sincerely,

Suk Fung Ng