



# National Council of Churches in Australia

Mr Alex Robson  
Deputy Chair  
Philanthropy Inquiry  
Productivity Commission

7 February 2024

**CC:** Ms Julie Abramson, Commissioner

Dear Mr Robson,

**RE: Submission to the Productivity Commission Inquiry into Philanthropy**

This letter from the National Council of Churches in Australia (**NCCA**) seeks to raise concerns about the potential ramifications of proposed changes that stand to significantly impact charitable organisations in Australia, with a particular emphasis on the proposed removal of the Basic Religious Charity (BRC) classification within the broader context of the Deductible Gift Recipient (DGR) criteria.

We thank you for the opportunity to provide our comments on the Productivity Commission's Review of Philanthropy draft report titled '*Future foundations for giving*', dated November 2023.

**Basic Religious Charity**

The proposed removal of the BRC designation from the DGR criteria is a matter of grave concern due to its potential to disrupt the long-standing support mechanisms for faith-based organisations. The BCR status has played a crucial role in facilitating financial contributions and fostering a culture of philanthropy toward religious institutions that serve essential roles within communities including schools. This proposed change has the potential to hinder the ability of religious charities to access crucial funding, which may in turn impede their capacity to carry out vital community services, engage in outreach programs, and contribute to the overall welfare and social cohesion of Australian society.

Moreover, the removal of BRC from the DGR criteria may have broader implications for the diversity and inclusivity of the charitable sector. Religious organisations, being integral components of the not-for-profit landscape, play significant roles in addressing social issues, fostering community development, and providing essential services to those in need. The potential exclusion of BRC could limit the scope of support available to religious institutions and, consequently, curtail their ability to make meaningful contributions to the well-being of individuals and communities.

The work of the religious institutions is in partnership with governments and DGR status facilitates the BRCs to efficiently mobilise community support for addressing social, education and welfare needs. Religious institutions play a crucial role in addressing and alleviating the underlying issues of decreased social cohesion, isolation, and deficiencies

Anglican Church

Antiochian  
Orthodox Church

Armenian  
Apostolic Church

Assyrian Church  
of the East

Chinese Methodist  
Church

Churches of Christ

Congregational  
Federation

Coptic  
Orthodox Church

Greek  
Orthodox Church

Indian  
Orthodox Church

Lutheran Church

Mar Thoma Church

Religious Society  
of Friends (Quakers)

Roman Catholic Church

Romanian  
Orthodox Church

Syrian  
Orthodox Church

The Salvation Army

Uniting Church

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in welfare support within communities throughout Australia. This is especially evident in the regional and rural areas of the country, where faith-based organisations are at the forefront, bridging the gaps and offering essential support to communities that face challenges in accessing government services.

### **Existing DGR rules**

The existing DGR rules have played a crucial role in promoting a culture of giving and supporting various charitable causes. These rules provide incentives for individuals and businesses to contribute to organisations that work tirelessly to address pressing societal issues, ranging from health and education to environmental conservation and social justice.

Several reasons underscore the importance of preserving the current DGR rules:

#### **1. Encouragement of Charitable Giving:**

The current DGR rules serve as a powerful motivator for individuals and businesses to contribute to charitable causes. The availability of tax deductions encourages people to donate to not-for-profit organisations, leading to increased funding for vital programs and initiatives.

#### **2. Support for Nonprofit Sustainability:**

Charitable organisations heavily rely on donations to sustain their operations and carry out their missions. The current DGR rules contribute to the financial stability of these organisations, enabling them to plan and implement long-term projects that benefit the community.

#### **3. Diverse Impact Across Sectors:**

The current DGR rules are flexible enough to accommodate a wide range of charitable activities across various sectors. This inclusivity allows for a diverse impact on society, addressing multiple challenges and catering to the unique needs of different communities including faith communities.

#### **4. Innovation and Social Solutions:**

The existing DGR framework has facilitated innovation in the not-for-profit sector by supporting organisations including religious organisations that seek novel and effective solutions to complex issues. Changing these rules may hinder the ability of not-for-profits to experiment with new approaches and address emerging challenges.

#### **5. Positive Economic Impact:**

Charitable giving not only benefits the recipients of the donations but also has a positive economic impact. By encouraging philanthropy, the current DGR rules contribute to job creation, economic development, and the overall well-being of communities. BRCs make up only 17% of all registered charities in Australia<sup>1</sup>. However, through their reliance primarily on volunteers, provide a greater positive impact on the well-being and support of communities across Australia.

We urge the Australian Government to consider the potential consequences of such changes on the charitable sector. Changes should be made with careful consideration of the broader impact on society and the invaluable role that charitable organisations play in addressing critical social and community needs.

Thank you for your attention to this matter. I trust that you will carefully evaluate the implications of any proposed changes to the DGR rules and work towards maintaining a framework that fosters a culture of giving and supports the vital work of not-for-profit organisations including BRCs.

### **About us**

Over the past three decades, the [National Council of Churches in Australia \(NCCA\)](#) has played a vital role in providing ecumenical support to its member churches through representations to government on issues of concern relating to ‘the last, the least and the lost’.<sup>ii</sup> This legacy of speaking out of our Christian duty, based on the teachings of Jesus Christ, dates back to the establishment of the former Australian Council of Churches in 1948.

The NCCA leads a diverse array of programs and initiatives with a dedicated focus on areas encompassing social justice, including:

1. [Act for Peace](#) which stands as our esteemed international aid agency, focusing on assisting communities worldwide affected by conflicts and disasters to create a safer and more resilient environment for recovery and stability.
2. [First Nations](#) is a commitment to working together for justice for Aboriginal and Torres Strait Islander Australians, and for the reconciliation and healing of our peoples.
3. [Faith and Unity Commission](#) unifies theologians to engage in thoughtful and meaningful theological work for the broader church community, strengthening bonds through dialogue and understanding.
4. [Australian Churches Refugee Taskforce](#) addresses critical issues faced by refugees and asylum seekers, advocating for supportive policies and implementing practical solutions for a more compassionate and inclusive society.
5. [Australian Churches Ecological Taskforce](#) works at the forefront of addressing environmental concerns within the nation, identifying sustainable solutions, and advocating for policy changes to mitigate the impacts of climate change.
6. [Safe Church Program](#) equips churches with the resources to address and respond to the recommendations arising from the Royal Commission, assist with capacity-building in safeguarding issues for children and vulnerable adults and professional standards through sharing best practice - so as to effectively meet the National Principles for Child Safe Organisations and related State and Territory regulations.

Working closely with diverse Australian churches spanning various denominations and communities, the NCCA extends its reach with state and territory councils of churches across Australia and maintains strong connections with counterpart councils both globally and regionally in the Asia-Pacific region. The organisation's pivotal role involves coordinating, offering guidance, advice and support to churches across the nation and playing a representative role, such as with this submission.

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Representing a formidable coalition, the NCCA brings together eighteen (18) [member churches](#) in Australia. These member churches, individually catering to thousands of congregants within Australia, also boast global outreach through representations and churches around the world.

The NCCA acknowledges and commends the exemplary efforts of Christian institutions in Australia, including BRCs, which demonstrate a commendable commitment to addressing social and religious needs within communities. These institutions play a pivotal role in diligently attending to identified gaps and contributing significantly to the welfare of society. This includes involvement in education, social support services, welfare services, aged care, disability care, homeless outreach, refugees and asylum seekers, and support for individuals experiencing domestic and family violence.

### **Contact Us**

We would be pleased to discuss this further with you, should you wish to seek more information. We welcome you to contact us.

Yours faithfully,

Elizabeth Stone  
General Secretary  
National Council of Churches in Australia

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<sup>i</sup> Page 12, Australian Charities Report, 9<sup>th</sup> Edition, Australian Charities and Not-for-profits Commissions (ACNC) published 21 June 2023; <https://www.acnc.gov.au/tools/reports/australian-charities-report-9th-edition>

<sup>ii</sup> 'The last, the least, and the lost' is an amalgam of three verses in the book of Matthew in the New Testament of the Bible:

- The Last: "So the last will be first, and the first will be last" Matthew 20:16 NIV
- The Least: "The King will reply, 'Truly I tell you, whatever you did for one of the least of these brothers and sisters of mine, you did for me.'" Matthew 25:40 NIV
- The Lost: "For the Son of Man came to seek and to save the lost" Matthew 18:11 NIV