



## FUTURE FOUNDATIONS IN GIVING: SUBMISSION FROM CATHOLIC EDUCATION TASMANIA

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This submission is made on behalf of the Catholic Education Tasmania (CET). CET oversees 38 schools, educating 17,000 students and employing 3,500 staff. It has been doing this for 60 years.

CET strongly objects to key recommendations in the Productivity Commission Draft Report on Philanthropy (the Draft Report), published 30 November 2023. In summary, we urge the Government to reject draft recommendation 6.1, particularly its elements which would:

- remove DGR status for donations made to school building funds;
- abolish basic religious charities;
- remove DGR status for 'primary, secondary, religious and other informal education activities'
- grant DGR status to virtually every charitable subtype while specifically excluding the subtype advancing religion.

Taken together, these recommendations represent a major attack on religion, religious observance, religious education and people of faith in this country.

The message in this productivity commission report is that religious faith has little or no societal value. It places virtually every other conceivable charitable purpose as being inherently superior to religion. It ignores hundreds of years of history in Australia where religious faith has inspired countless Australians to set up hospitals, schools, homeless shelters, soup kitchens, prison ministries, drug and alcohol rehab, aged care facilities, migrant and refugee support and many other works of charity. It seeks to sever the link between religion and good works and ignores the fact that it has so often been religious faith which has inspired people to step up and help their fellow citizen.

The Draft Report highlights the fact that:

*“the formal volunteering rate fell from 36% in 2010 to 25% in 2020. Data indicates that by 2022, the volunteering rate had recovered slightly following the COVID-19 pandemic” (Draft Finding 3.2)*

The recommendations of the report will inevitably make this situation worse, given the fact that numerous studies have shown that religious people are more likely to be donors and volunteers (*see for instance Deloitte Access Economics “Economic value of donating and volunteering behaviour associated with religiosity” 2017*).

The Draft Report is an egregious attack on religion itself and it should therefore be completely rejected by the Australian Government and the Australian Parliament. Coming on the back of last year's Draft Australian Law Reform Commission Report which, in the words of the head of the National Catholic Education Commission, former Labor Senator Jacinta

Collins, would make it *'impossible for Catholic schools to be Catholic'* seems to be part of a concerning pattern of the Australian Government attacking and undermining faith based institutions.

We will now address each of the four most concerning aspects of the Draft Report in more detail.

### **School Building Funds**

The recommendation to abolish DGR status for School Building funds would have a devastating impact on Catholic schools in Tasmania and indeed other non-government schools in Tasmania and around the country. It would disproportionately affect low fee schools and those with a low capital base as they seek to grow. It would inevitably lead to higher school fees, poorer facilities or a need for more Government expenditure or a combination of all of these.

DGR status for school building funds has long been granted as a recognition that while in Government schools 100% of capital spend is provided by government, in non-government schools only around 14% of funding is provided by government, with the remaining 86% funded by parents and communities.

For the 2024 school year, the Tasmanian Catholic Block Grant Authority has approved projects in schools with a total capital value of \$25 million. Funding received from Commonwealth and State Governments will total \$3.5 million. The shortfall in funding of \$21.5 million will be funded by private income from Catholic families and from the small amount of funding derived from building fund donations. While this contribution is possible in the short term, projections suggest that the current Commonwealth and State capital funding will not support Catholic schools in Tasmania to meet capital infrastructure and compliance requirements in the future.

There is serious need for capital funding to continue to support Catholic schools' development.

Many Tasmanian Catholic schools were constructed 40-60 (or more) years ago to suit the teaching and learning methodology of that time. These facilities still represent the core infrastructure on most of our school and college sites. It is imperative that the levels of capital funding provision increase substantially to meet the growing challenges in education.

Undermining one of the main mechanisms which non-government schools have at their disposal to add to their capital stock therefore has echoes of the conditions which led to the Goulburn strike, whereby government imposed conditions on Catholic schools but refused to offer adequate support for those schools to live up to those conditions, thereby discriminating against families in those schools. Since that time there has been a growing bi-partisan consensus in Australia that government should properly support rather than discriminate against faith-based schools.

Accepting this recommendation in the Draft Report would therefore be a regressive step which undermines this longstanding consensus.

CET also takes serious issue with the reasoning underpinning the Draft Recommendation to remove DGR for school building funds. The Commission states that:

*'specifically excluding some activities from the scope of the DGR system would refocus the system toward activities that generate greater social benefits.'*

This is an extraordinary assertion and should not go unchallenged. The suggestion underpinning this statement is that there is little benefit in the education of children in faith-based schools and in building the classrooms and other facilities which enable them to be educated. CET educates thousands of students, most of whom are from low and middle income families and gives them a high-quality education in the Catholic tradition. It gives parents the ability to exercise their human right to choose the moral and religious education of their children as recognised in the International Charter on Civil and Political Rights (ICCPR).

CET submits that our schools are therefore providing substantial and widespread social benefits and reject any suggestion otherwise.

### **Religious Instruction in Government Schools**

While the recommendation to remove DGR for those providing religious instruction in Government schools will have no impact on CET, we would like to raise our strong objections to this recommendation.

Acceptance of this recommendation, together with the other three recommendations of concern, would be a further attack on parental rights to oversee the moral and religious education of their children. It would particularly affect those families of faith, including Catholic families, who are for various reasons unable to enrol their child in the religious school of their choice. This would inevitably disproportionately impact upon families from lower socio-economic backgrounds and those in remote communities.

While we seek to offer a Catholic education to every Catholic child whose family seeks it, we are aware that there are circumstances where Catholic parents are unable or unwilling to send their child to a Catholic school but still desire that their child be given instruction in the faith. This choice should be supported.

### **Abolition of Basic Religious Charities**

Basic Religious Charities (BRC) are a subset of religious charities. They have less reporting requirements than other charities but are not eligible for DGR Status and are unable to receive more than \$100,000 in government grants in a reporting period.

As noted in *Strengthening for purpose: Australian Charities and not for profits legislation review 2018:(ACNC Review)*

*“It seems the concept of a BRC is based, at least in part, on the concept of religious freedom.*

*The BRC was intended as a classification for faith-based congregations to be granted a lower reporting burden and be exempt from certain mandatory governance arrangements for charities, because it was regarded as inappropriate for the ACNC to interfere in the governance of small religious bodies which were not incorporated and received little direct funds from government.”*

Related to this, the category was also set up to respond to concerns that without such a classification, the ACNC Commissioner would have the ability to remove bishops and other religious leaders from their positions, a major attack on religious freedom and an undermining of the separation of church and state.

In their submission to the ACNC review, the Uniting Church of Australia summarised the arguments for BRC in this way:

*“Basic Religious Charities provide the opportunity for people of faith and goodwill to operate together in a simple but effectively governed way that finds the balance between red tape and religious freedom of action. As a result, the Uniting Church in Australia and its many members particularly value the support of the Commission for Basic Religious Charities and we are taking the opportunity to restate our support for these and for the approach the Commission has taken to date. Any changes to these bodies could have dire impacts on the life of the Church in Australia and the freedom of many religious communities to give expression to the call of the Gospel and would not be supported by the Uniting Church.”*

CET endorses this position.

The ACNC review recommended a review of BRCs, but only if a number of conditions were met, including a recommendation to remove the ability of the ACNC Commissioner to remove responsible persons in all charities, a recommendation which was not accepted by the Government at the time.

The fact that the Productivity Commission has ignored this history and given a blanket recommendation for BRC to be abolished without caveat is highly concerning and adds to the overarching anti-religion theme which runs through the Draft Report. We note that Commissioner Krystian Seibert has had a longstanding opposition to BRCs, writing in ProBono Australia in August 2018 that part of his wishlist was to abolish BRCs.

### **Granting DGR Status to virtually all charitable subtypes while specifically excluding subtype religion**

Of all of the elements of this draft report, perhaps the most concerning is the recommendation to dramatically expand the types of charities which can gain access to DGR status, and then specifically excluding religion.

The message from this recommendation is unmistakable. According to the Productivity Commission, religion offers little or no value to society. Virtually every other type of charitable category is to be placed above that of religion and is therefore given greater status. If the

Government were to accept this recommendation, they would be endorsing this hostile message.

As discussed in the introduction, this recommendation ignores the strong religious motivation which has led to the establishment of some of Australia's largest and most well-known charities – St Vincent De Paul, the Salvation Army, Anglicare, Uniting Care, Wesley Mission and countless others. It is religious faith which has led to the establishment of institutions which educate around a third of our children, and look after millions of Australians in hospitals, hospices, aged care facilities, women's shelters and countless other settings.

While those who support such a move may well argue that these institutions which carry out these charitable works will still attract DGR status, this misses the point that the good works which these institutions undertake are a direct result of the faith of those who founded them. The end result charitable services produced by 'Vinnies' or 'the Salvos' are an outgrowth of Christian faith. A system which says the faith which underpins the works is of no societal benefit undermines the foundation of such organisations and will ultimately lead to less of these institutions being formed and less of these charitable works occurring. This assertion is backed up by multiple studies which link religiosity to volunteering and charitable giving. Broader society, and most particularly our most vulnerable citizens will be the ultimate losers out of such an approach.

At best this is shortsighted and at worst it is an aggressive, wholesale attack on faith. Coming as it does so soon after another Australian Government commissioned report (the ALRC) which sought to undermine the religious ethos of religious schools, there may be a well-founded conclusion formed by many religious Australians that the Australian Government has an agenda which is hostile to them and to their beliefs.

## Conclusion

The Draft Report represents a major attack on faith-based education in Australia both in financial and philosophical terms. More broadly it represents a major assault on religion and religious practice as it seeks to significantly downgrade the role and value of faith to the Australian community. CET urges in the strongest possible terms that the recommendations discussed in detail above be rejected outright by the Government and the Parliament.

Yours in Christ

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