



**Australian Government**  
**Productivity Commission**

**PRODUCTIVITY COMMISSION**

**PUBLIC HEARING – PHILANTHROPY**

**DR A. ROBSON, Deputy Chair**  
**MS J. ABRAMSON, Commissioner**  
**MR K. SEIBERT, Associate Commissioner**

**TRANSCRIPT OF PROCEEDINGS**

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**DAY 1**

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**DR A. ROBSON:** Okay. We will get underway. So, good morning. Welcome to the public hearings following the release of the Productivity Commission's Philanthropy Inquiry Draft Report. My name is Dr Alex Robson. I'm the Deputy Chair of the Productivity Commission and presiding commissioner on this inquiry. I'm joined by Commissioner Julie Abramson and Associate Commissioner Krystian Seibert. Before we begin today's proceedings, I'd like to begin by acknowledging the traditional custodians of the lands in which we're meeting and pay my respects to elders past and present.

The Productivity Commission is the Australian Government's independent research and advisory body on a range of economic, social and environmental issues affecting the welfare of all Australians. We apply robust transparent analysis and we adopt a community-wide perspective. Our independence is underpinned by the Productivity Commission Act of 1998 and our processes and outputs are open to public scrutiny and are driven by a concern for the wellbeing of the community as a whole. The purpose of this public hearing is to facilitate comments and feedback on the draft Productivity Commission report entitled Future Foundations for Giving. In this report, the Commission concluded that there can be good reasons for governments to support all forms of giving money, time and lending a voice. In addition to supporting the provision of goods and services valued by the community giving, particularly volunteering, can contribute to social capital.

The Commission identified practical changes that would promote giving and benefit the Australian community. We are seeking feedback on those proposals. The Commission also notes, however, that all government support ultimately derives from taxpayers and that there is no such thing as a free lunch, including when it comes to policies and options for supporting philanthropy. All policy choices involve trade-offs, costs and benefits. So our interest is in understanding what those trade-offs look like and how to improve the terms of those trade-offs, noting that our community-wide perspective means that we are focused on making recommendations that maximise the welfare of the Australian community as a whole.

The draft report focuses on three main areas which are designed to establish firm foundations for the future of philanthropy so that the benefits of giving can be realised across Australia. The three main areas of reform are, first, DGR reform focusing and re-focusing which charities can receive tax-deductible donations to help donors direct support to where there is likely to be the greatest benefits to the community as a whole. Second, regulation bolstering the regulatory system by enhancing the ACNC's powers in creating regulatory architecture to improve coordination and information sharing among regulators. And, thirdly, information improving public information on charities and giving to support donor choice and accountability. The Commission's draft report did not recommend removing the charitable status of any entity or class of entities.

On the first reform area on DGR the Commission found that the current DGR system lacks a coherent policy underpinning and sought to address this by developing a principles-based framework for DGR eligibility but focuses on charitable activities rather than entities. The three principles are as follows: there is a rationale for Australian Government support because the activity has net community-wide benefits and would, otherwise, be undersupplied. Second, there are net benefits from providing Australian Government support for the activity through subsidising philanthropy. And, third, there is unlikely to be a close nexus between donors and beneficiaries such as the material risk of substitution between fees and donations.

The Commission then applied these three principles to determine which charitable activities would maintain the same DGR status that they currently have and for which activities there

would be a change. Overall, the Commission estimates that between 5,000 to 15,000 more charities would have access to tax-deductible donations under the proposed reforms. About 5,000 charities, mainly school building funds and charities that provide religious education in government schools, would have DGR status withdrawn. Initial responses to the draft report have predominately focused on the reforms to the DGR system. The Commission has received a high volume of feedback centred around entities that will have their DGR status withdrawn. There has also been support for broadening eligibility for DGR status, including those engaged in advocacy and prevention activities.

The Commission's draft recommendation on school building funds would apply equally to government, non-government, secular and religious education providers. While there are good and sound reasons for governments to support the provision of school infrastructure, the Commission's preliminary view is that providing tax deductions for donations for school buildings is unlikely to be the best way to direct support to where it's needed most. Submissions have also focused on the Commission's recommendation that the status quo be maintained for entities whose sole charitable purpose is advancing religion. Currently, these entities do not have DGR status or access to it. The Commission recognises that religious organisations play an important and valuable role in the lives of many Australians. Religious faith and values can and do provide inspiration for donating and undertaking a range of charitable activities.

The contribution that such entities make in the community is one reason why they are already able to access some tax concessions associated with their status as charities, such as an income tax exemption. The Commission has not recommended any changes to these other tax concessions. However, the Commission did not find a strong policy rationale in terms of net conditional community benefits for changing the status quo and expanding DGR to charities with the sole purpose of advancing religion. On the other hand, the report does recognise that some charities with the advancing religion subtype already undertake additional separate charitable activities, such as advancing social and public welfare. Under the Commission's proposed reforms, which would expand the scope of DGR, these entities could gain DGR status for these other separate activities. There are also charities with the religious ethos currently endorsed as DGRs, such as public benevolent institutions, working to address disadvantage. They would continue to be eligible.

So we welcome further feedback on the proposed reforms to the DGR system in these hearings. In particular, we welcome feedback on the principles, how they have been applied and the likely impacts of the reforms and the benefits and costs of alternative proposals. The second group of reforms is to strengthen the regulatory framework and to enhance the ACNC's powers and improve the regulatory architecture. Given that trust and confidence in charities underpins philanthropic giving, the Commission has made various proposals to enhance the regulatory framework. The Commission has proposed the establishment of a National Charity Regulators Forum underpinned by an intergovernmental agreement to build a formal regulatory architecture to help regulators in various jurisdictions, prevent and manage regulatory issues, coordinate joint responses to misconduct, concerns and improve information sharing.

The proposals also seek to ensure that all charities are subject to consistent regulation by the ACNC based on their size and some incremental changes to the ACNC's powers are also put forward. The final of the three reform areas is to improve public information and enhance access to philanthropy, including for Aboriginal and Torres Strait Islander people and organisations. The Commission identified that government sources of public information about charities do not promote informed donor decisions and public accountability as well as they could. The draft report includes draft recommendations to enhance the utility of data that the government

provides about charities, giving and volunteering. It also recommends that disclosure and reporting of corporate giving and charitable requests be improved.

The Commission also heard some Aboriginal and Torres Strait Islander communities are furthering their own goals through partnerships with philanthropy. But we also heard that the approaches of some philanthropic funders may not align with the aspirations, priorities and needs of some Aboriginal and Torres Strait Islander communities and that there are opportunities to enhance access to philanthropic networks. In response, the Commission has proposed that the Australian Government support the establishment of an independent philanthropic foundation designed and controlled by Aboriginal and Torres Strait Islander people. The foundation would focus on strengthening the capacity of Aboriginal and Torres Strait Islander communities to build partnerships with philanthropic and volunteering networks.

The 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 Commission is grateful to all the organisations and people that have taken the time to prepare submissions and to appear at these hearings. As of the 9<sup>th</sup> of February, the Commission has received over 1,200 final submissions and over 1,400 brief comments since the draft report. This is the first public hearing for this inquiry. We will then be working towards completing a final report due to the Australian Government in May 2024 having considered all the evidence presented at the hearings and in submissions as well as other discussions. Participants and those who have registered their interest in the inquiry will be advised of the final report's release by Government which may be up to 25 parliamentary sitting days after completion.

So we like to conduct all hearings in a reasonably informal manner but I would like to remind participants that there are clear structures in our legislation for how these hearings are legally backed and a full transcript is being taken. For this reason, comments from the floor cannot be taken but at the end of today's proceedings I will provide an opportunity for anyone who wishes to do so to make a brief presentation. The transcript taken today will be available to participants and will be available from the Commission's website following the hearings. Submissions are also available on the website. Participants are not required to take an oath but are required, under the Productivity Commission Act, to be truthful in their remarks.

Participants are welcome to comment on the issues raised in other submissions. I also ask participants to ensure their remarks are not defamatory of other parties. Participants are invited to make some opening remarks of no more than five minutes, if you can. Keeping the opening remarks brief will allow us the opportunity to discuss matters in participants' submissions in greater detail. So I would now like to welcome the first hearing participant from The Smith Family and please state your name and organisation for the record and we'll get underway. Thanks very much.

**MS A. HAMPSHIRE:** Thanks so much, Commissioner. I'm Anne Hampshire. I'm head of research and advocacy at The Smith Family.

**MR J. O'ROURKE:** I'm Josh O'Rourke. I'm the head of philanthropy.

**MS L. ALLAN:** I'm Lisa Allan, the head of fundraising.

**DR ROBSON:** Okay.

**MS J ABRAMSON:** Excuse me one minute. It's a bit hard to hear. Are the microphones working? Excuse me.

**MS ALLAN:** Should we get closer?

**MS .....** I think they might just be for recording purposes.

**DR ROBSON:** They're just for recording the audio.

**MS ABRAMSON:** Okay.

**MR K. SEIBERT:** Yes. That's all right. Thank you.

**DR ROBSON:** Yes.

**MR SEIBERT:** They're behind us as well. So – yes.

**DR ROBSON:** Yes. Would you like to make an opening statement?

**MS HAMPSHIRE:** We would. Thank you so much.

**DR ROBSON:** Okay. Go ahead, please.

**MS HAMPSHIRE:** And please let me know if you can't hear us. So The Smith Family thanks the Commission for the opportunity to appear at this public hearing. We welcome the extensive work done to date by the inquiry and the greater visibility that it's providing around philanthropic giving and the underlying drivers of these trends. Our view is that the increasing challenges and needs being experienced across many dimensions of national wellbeing, including socially, economically, culturally and environmentally, require the collective and enhanced efforts of governments, philanthropy, business, the non-for-profit sector and the wider community working together to address this reality now and into the future. Hence, we see this inquiry and the government's goal of doubling philanthropic giving by 2030 is very important.

As an organisation established by businessmen in 1922 we have a long history of philanthropic giving, including raising over 133 million in FY23, we welcome the opportunity to contribute to this important inquiry. We have read with interest the inquiry's draft report and have provided a further submission on it which I think you now have. Our key points in that submission include the need for recommendations to support the achievement of both the 2030 goal and to contribute to significantly grow philanthropy beyond what is, in fact, now only a six-year time horizon. A concern that the current recommendations may not achieve the 2030 or beyond goals, with our assessment being there is more that should be done to both grow philanthropic giving and maximise the impact this giving makes. The opportunities to lift giving which we support, include, firstly, simplifying the transfer of unspent superannuation funds to a charity after an individual passes away. Secondly, efforts to increase workplace giving given the multiple cost-effective benefits it offers, the low base of workplace giving in Australia and the evidence that organisations with strong programs in this space have high rates of participation.

Thirdly, providing the opportunity for individuals to donate some of their tax return to a charity during the process of completing that tax return. We note research indicating that 70 per cent of Australians support such a proposal. And, fourthly, a campaign to promote giving. We note the Commission's comments around such a campaign in the draft report. We believe that this can,

however, be successfully done using a try, test, learn approach with rapid iterations. It should draw, we suggest, on the experience of many organisations of pursuing diverse donor segments as well as the learnings from behavioural economics and a range of successful public campaigns in a number of areas.

We also urge the acceleration of harmonisation efforts given the impact that current arrangements have on the efficiency of organisations operating in multiple jurisdictions like our own. We note efforts in other areas requiring national/state/territory implementation that have taken years to realise, even after an agreement on a policy has been reached, and we want to avoid that being the ongoing case with philanthropy. We strongly recommend the inquiry include a recommendation along the lines of the findings of the Pay What it Takes research, given that a failure to adequately fund the indirect costs of charities and not-for-profits leaves, that research suggests, to both lower capability and effectiveness. We believe such a recommendation is important to ensure that growing the impact of the sector occurs alongside the growing of its income.

We also believe there's a role for the inquiry in encouraging greater funding of innovation by the philanthropic sector. While we note the potential of the sector for investment in this area, we would suggest the proportion of philanthropic investment in innovation is actually quite modest. As part of its data collecting work, the inquiry could, perhaps, try to quantify what philanthropic funds are currently spent on innovation. While we do not offer any specific commentary regarding the exclusion of DGR status to school building funds, we believe any changes in this space much ensure that initiatives that support the educational participation and achievement of children and young people experiencing disadvantage, such as scholarships and the provision of additional resources to them, such as laptops, are not included in such changes. Our expectation is that these are not included if we read the recommendation appropriately given their equity focus, but we believe there would be value in explicitly identifying in the final report examples of initiatives, such as scholarships, that would be exempt from this recommendation.

Finally, we were asked by the secretariat if we might provide some data on the use of cheques by our supporters. In FY23, we received over 22,000 cheques which provided over \$10 million in funding to our organisation. While the use of cheques has been declining, they are still an important source of income, as you will see from that \$10 million. We're looking at other payment types, such as PayID, which could replace cheques in the future to limit the impact of, if and when, they disappear. We'd be happy to answer any questions. Thank you.

**DR ROBSON:** Thank you. Next, Krystian, do you want to .....

**MR SEIBERT:** Thank you for your submission in response to the draft report and for taking the time to meet with us this morning and share your views and perspectives. Just following on from your opening statement and your submission, I wanted to just ask you around about – a question around the role of government, the role of philanthropy and particularly around your comments about that philanthropy has the potential to act in a way that supports innovation but that you'd suggest that the proportion of philanthropic investment in innovation is small. Whether you could, yes, unpack sort of the high level of aspect of that but also, yes, a bit more detail around why you think that the actual proportion of philanthropic support for innovation is small and what could be done to address that.

**MS HAMPSHIRE:** I might kick off and then my colleagues might jump in. I think we noted in the report the important divide between the role of philanthropy in the innovation sense and then the role of government to scale. And I think the report suggests that there is a strong focus

in philanthropy on innovation and we have benefited – excuse me – from some of that. But I think it’s probably far more articulated as a reality than it is actually in practice and we’ve benefited from areas from the Origin Foundation, from the Paul Ramsay Foundation, for example, that have allowed us to innovate something which government have then scaled. But in our overall pot of money, it’s relatively small that innovation piece and we suspect, looking around the sector, that that might also be the case. So we’ve actually – we don’t have quantifiable data for the sector but I think it’s what you hear in the mantra perhaps more than is actually the case in reality, hence our suggestion about investigating that further.

**MS ALLAN:** Do you have anything further that you wanted to add?

**MR O’ROURKE :** No, just to say that, you know, in our experience working with grant makers and corporates there’s the expectation that you have a program that is proven to work and that you can show evidence for and capital for testing and piloting projects that are yet to be discovered are pretty ..... on the ground.

**MR SEIBERT:** That’s really interesting. So you’re saying that although there is the sort of the ideal or what’s sort of talked about, in terms of the role of philanthropy, but in practice many of your philanthropic supporters, such as trusts and foundations and corporates, they actually sort of already want evidence of effectiveness, sort of a bit like what we say government normally wants.

**MS HAMPSHIRE:** Government does. Yes.

**MR O’ROURKE :** Yes.

**MR SEIBERT:** Rather than really wanting to fund that sort of - - -

**MR O’ROURKE :** That’s correct.

**MR SEIBERT:** - - - risk taking innovation.

**MR O’ROURKE :** That’s correct, yes.

**MR SEIBERT:** That’s really interesting.

**MS HAMPSHIRE:** Yes.

**MR SEIBERT:** What sort of things do you think could be done to address that, in terms of what could be a role for government here? Because in the inquiry we are thinking about what the distinctive role of government here, in terms of changing practices, because the philanthropic sector can obviously do things differently, perhaps or not, but what would be a role for government here, potentially?

**MR O’ROURKE :** Good question. I think, you know, governments could probably shine a spotlight on projects that have been funded for innovation. I think even allocating more funding specifically for projects that are yet to be proven. So it’s about, you know, creating a larger pot of funding opportunities for organisations, such as ours, to seek funds for projects that are yet to be proven so - - -

**MS HAMPSHIRE:** I do think it’s one of those things that’s become part of the ether of our language that philanthropy funds innovation and it almost reads like that in your draft report, to



be honest. But when we sat back and thought is that really the reality of a vast amount of philanthropy now, our sense was not for us and we suspect not for the sector. So even highlighting and then encouraging philanthropy to be bold and to help with that capacity that they have, which might then scale through government, I think is a helpful thing that this report could do.

**MR SEIBERT:** So it's about ensuring that sort of the actual practices, the actual actions of philanthropy align with maybe some of the narratives that we have about the role of philanthropy because there's - - -

**MS HAMPSHIRE:** Indeed.

**MR SEIBERT:** - - - a lack of alignment, in your view, at the moment.

**MS HAMPSHIRE:** Indeed. Yes. And, you know, I don't know whether or not there's capacity for the Commission to seek data, because I think, you know, we know what we're being funded in the philanthropic space, but whether or not there's a broader data question that the Commission could help with, in some sense as to perhaps shine a light on this area. Because there's enormous potential and the philanthropic innovative funding we've received, for example for an early numeracy program initially funded by BlackRock and the Origin Foundation has now been scaled to hundreds of thousands of children in a way that government wouldn't have initially done and is now being supported by government. So there are good examples, as Josh said, but shining a light on those – and the risks, because they're not all going to fly. That's the whole thing with innovation. You've got to try something. Test it.

**MR SEIBERT:** Thank you. That's very interesting. Thank you.

**DR ROBSON:** Thanks. I just have a quick one and then I'll hand to Julie on a different topic but I wanted to follow up on this one. I mean, do you think there's been a change in donors' attitudes towards, you know, tied and untied and that risk attitude? Have you observed that over the last, say, decade or so?

**MR O'ROURKE :** Yes, I have. I think, particularly in the trusts and foundations or grant making space, it is becoming less common for donors to support an untied project.

**DR ROBSON:** Yes.

**MR O'ROURKE :** You know, they want to see, you know, where their dollars are spent and the impact of those – of that support. But, you know, I should note that untied fundraising is incredibly important for an organisation because it allows us to use funds in the areas that will have the greatest impact. There's also – in terms of return and investment, there's a fair bit of work involved for a charity in servicing a donor with a tied project whereas often those costs are not incurred for an untied gift. So there is a cost benefit to it as well.

**DR ROBSON:** Yes. Thank you.

**MS HAMPSHIRE:** Which is not to say that we think untied funds leads to unaccountability. So we're very clear about the outcomes. We would measure and have a very strong track record in that but the freedom to spend those funds in ways which then can be reported upon is what you were calling out, I think, Josh.

**MR O'ROURKE :** Yes. Correct.

**MR SEIBERT:** Just a couple – one very quick question. Have you got any data, even if it's sort of, you know, rough but as best as you can get that data around the percentage of your funding that can be used for that genuine innovation versus the - - -

**MS ALLEN:** Yes.

**MR SEIBERT:** - - - funding that's sort of not really able to be used for that?

**MR O'ROURKE :** Yes.

**MS ALLAN:** Yes.

**MR SEIBERT:** But also, I just wanted to clarify too, so you've said that, based on your experience, over time the philanthropic support you get sort of, say, from structured philanthropy, less – over time, more of that is being earmarked for projects rather than being untied?

**MR O'ROURKE :** Correct.

**MR SEIBERT:** So there's – because that again, that could be a bit of a disjuncture with the, sort of, the narratives around that.

**MR O'ROURKE :** Yes, that's correct. Yes.

**MS ALLAN:** I think if you pick up on the fact that general philanthropy has changed quite dramatically over the last 10 years when you think about trusts, foundations and corporates, it used to be a gift. It is now an expectation. They need something for their bottom line as well, so I think that the demands on both sides of the needs and both sides of the organisations become much, much larger. I'd like to throw in too, from the mass marketing perspective, what we see is probably a direct line with trust. And high levels of trust need lower levels of transparency. Lower levels of trust need much higher levels of transparency. So there's new people are joining or giving to organisations. What they tend to do is, you know, look under the hood. What are they investing in, where do the dollars go, what is their mission, what are their outputs.

**DR ROBSON:** Yes.

**MS ALLAN:** When you have had lots of trust a lot of that is kind of taken for granted that they move forward. So, yes, as we think about, you know, doubling giving, I think the levels of new donors that come into the sector will definitely more consistency and probably permeates into some of the other areas of the reports that just Pay What it Takes and the levels of transparency, the giving campaign.

**DR ROBSON:** Thank you.

**MR SEIBERT:** Thanks.

**DR ROBSON:** Julie .....

**MS ABRAMSON:** Thank you. It's always very nice to see The Smith Family, so thank you for attending, because a few years ago – and, I think, Anne, you were there – we had our education evidence inquiry - - -

**MS HAMPSHIRE:** Yes.

**MS ABRAMSON:** - - - and you spoke to us about the children's future education so that was a very helpful contribution. I have three questions I'd like to ask. The first one is, thank you very much for your data around cheques, but I was also wondering, do you have a view about the age of those donors?

**MS ALLAN:** I would say the age of those donors is probably, on the whole, over 60. But, like Anne said, we're seeing – the numbers are declining but they're not declining significantly, is what I can say to you as well – less than 10 per cent year on year. So, you know, we're still getting substantial amounts of money through. Yes, but they are older donors.

**MS ABRAMSON:** Thank you. The other thing too is about the cheques. We are – like, as you know, there's the program to remove cheques and I think it's got a four year implementation plan. Do you have any particular views how people could be migrated to other forms of interaction with you? We're really – you know, the cheque issue is a very important one but I'm interested if you've got some solutions, particularly with a cohort of people who might be, for very good reason, be quite anxious about using internet banking and transfer of money.

**MS ALLAN:** It is a very good question. I don't have an answer to that. We are exploring the other technologies, as Anne has highlighted. What we're finding is, pick up of those technologies with the older cohort is extremely challenging so they just don't use them for anything. So don't have a credit card, you know, still walk into - - -

**MS ABRAMSON:** Yes.

**MS ALLAN:** - - - the post office to pay. So the fear, at the moment, is that they drop off after the four year window. However, we are starting to talk to them about other areas. So things like BPAY, things like Apple Pay, and other things that they might or their family might be using, it could help to influence. I don't know if anybody else has - - -

**MS ABRAMSON:** No. That's really helpful. And thank you for your data. That's incredibly helpful. The next thing – I think like these are random questions, so I'm apologising.

**MR O'ROURKE :** That's okay.

**MS ABRAMSON:** We're all ears about harmonisation. If you have any views about how we can practically make those things happen. I've noted your comment about, you know, there's an intent to do stuff and then it takes forever. It's one of the things that the Productivity Commission, as you know, struggles with a lot. We can see where we want to go and then it's a matter of cooperation with the states and territories who have different priorities. So I'm interested in any views you have about that.

**MS HAMPSHIRE:** We take a deep sigh at what we call the joys of the federation, at The Smith Family, because we are an organisation impacted both in our delivery of education but also in the philanthropic space. We actually think that having something publicly released with

some deadlines that all of the states and the territories and the Commonwealth sign up to is a start. We're very mindful in the education space that we are still waiting for a unique student identifier that was agreed in 2013.

**MS ABRAMSON:** Yes.

**MS HAMPSHIRE:** So I think, at least, having something out there with some clear deadlines, because intent is not enough, then allows organisations to – and to some extent the media to get behind and say, well, how's that tracking, how is that going.

**MS ABRAMSON:** Yes.

**MS HAMPSHIRE:** It's when there's too much, I think, behind closed doors and it's not visible where the progress is that organisations like ourselves and the sector generally go come on, what's happening here? Is anything happening? And sometimes it is, but having that public transparency, from our perspective, is important.

**MS ABRAMSON:** No, that's very helpful. And my final issue is about workplace giving. I'm really interested because you have very strong relationships with corporate Australia so any of your views about, you know, what is it that makes it a successful workplace giving initiative? What are the type of things that we should be looking at if it's an area that we had a view about?

**MR O'ROURKE :** Yes. Thank you. Yes, you're right, we do have a significant number of corporate supporters and the vast majority of those offer a workplace giving program in their organisations. I think where we've seen the best examples about working is where it is employee led. So there's engagement and buying from employees.

**MS ABRAMSON:** Yes.

**MR O'ROURKE :** It is simple for people to take part in. Sometimes, these arrangements can be quite complex and so there's a barrier between charitable work, the beneficiaries and those that are supporting. There's barriers in between. Where those barriers are removed and it's a simple process and there's opportunities for charitable organisations to communicate impact and change, those things are really well received by employees. And we look at the data overseas and compare that to what's happening in Australia and we note the significant work that's being done to try and increase the levels of workplace giving. I think our view is that it's still a fairly untapped potential.

**MS ABRAMSON:** Do you – thank you. Just one final thing – and I apologise to my colleagues because I did say I had three questions but it's really related to that, is volunteering. So do your workplace giving programs also involve a commitment of time and, if so, what are the characteristics that you think are successful in that regard?

**MR O'ROURKE :** Yes. That's a great question. The vast majority of our corporate supporters do engage in volunteering actively at The Smith Family. It is not necessarily tied to a formal workplace giving program, as such. They are usually quite standalone although organisations will often record the number of hours supported by volunteers and report on that separately. For us, one of the challenges is matching the opportunities for volunteering in our programs with the needs of - - -

**MS ABRAMSON:** Yes.

**MR O'ROURKE :** - - - corporate volunteering activities. So where there's alignment in those two areas, it's great. Where the opportunities available within our programs don't match the needs of the corporate, that can prove a challenge. But I would say that we're seeing an increase in the number of organisations that provide volunteering days for their employees. So there's a real appetite in the corporate sector to do more and to engage their employees in that way. There's also significant costs involved for the charities in actually creating those experiences, ensuring that they add value to our programs, and so often that can be overlooked. There's an expectation that you will create opportunities for our team members to volunteer but just making sure that's really aligned to our mission and our purpose.

**MS ABRAMSON:** Thank you. That's really helpful.

**MR SEIBERT:** Yes.

**MS ALLAN:** Could I add one thing on workplace giving too? I was going to say, the other thing I think that's important for success, and I know we noted it, is that shift to opt in. Because I know Workplace Giving Australia had done some modelling thing.

**MS ABRAMSON:** Yes.

**MS ALLAN:** For every one per cent of the public we can participating it's worth another \$55 million - - -

**MS ABRAMSON:** Yes.

**MS ALLAN:** - - - to the industry. So I do think places like America, where they've opted in, they get the rates of about 50 per cent to be, yes, a fundamental shift for us and really help with that double giving goal.

**MS ABRAMSON:** Do you think, though, the American experience is slightly different because philanthropy is viewed differently in American? So do you think that there are cultural factors that work there, not just the project itself?

**MS ALLAN:** I think you can – can you hear in my voice that I might be from - - -

**MS ABRAMSON:** I wasn't going to make such a presumption.

**MR SEIBERT:** Yes.

**MS ALLAN:** I was going to say, I am a Californian. I don't see – I mean, maybe California is different to the rest of America, but I don't see a huge cultural shift. So I do know it was something that you expected in the paperwork when you signed up to a job.

**MS ABRAMSON:** Yes.

**MS ALLAN:** But you had the ability to opt in or opt out. And the organisations, as Josh was saying, usually the organisation you joined had a few partners or partnerships and things that they've got behind as an organisation so

you're aware of those and have the opportunity to do that, or something else that was close to your heart.

**MS ABRAMSON:** Yes.

**MS ALLAN:** It was an easy, a really easy, way to get, I think, our young adults generally starting the workforce into the discipline of philanthropy.

**MS ABRAMSON:** Okay.

**DR ROBSON:** Is there any barrier that you can identify to a company not doing the opt out now or is there - - -

**MS ALLAN:** Josh did allude to – there is some technical support that is needed but places like Workplace Giving Australia and CAF actually help organisations to do that quite efficiently now, I think with most of the major payroll software. Yes.

**DR ROBSON:** Right.

**MS HAMPSHIRE:** I think, to your question about America and Australia, we've got such a low base. We may never be at America's pace but we're at one per cent now. So even, you know, a 20 fold of that would give us significantly more funds, even if we never get anywhere near 50 per cent. The one per cent feels truly pathetic, given that it's so – it can be so easy. And when there are good programs in companies then you do get the return. So it's having those good programs, as Josh flagged, making it easy to do, etcetera.

**MS ALLAN:** Yes.

**MR O'ROURKE :** And I think the point that you make in the draft report around the transparency and methodologies for corporate giving is really important because, certainly, there'd be a sense that if you're expecting employees to make contributions to charities that corporations should be leading by example as well.

**MS HAMPSHIRE:** The match giving is really important too, isn't it. Yes.

**MR O'ROURKE :** So I think you do both and match giving is a huge incentive for people as well.

**MS HAMPSHIRE:** Yes.

**MR SEIBERT:** But more – sorry, go.

**MS ABRAMSON:** No. I was just going to say, so you think – I don't want to put you on spot but – so you think sort of reforms around corporate reporting would be a useful initiative?

**MR O'ROURKE :** Yes.

**MS ABRAMSON:** Yes. Thank you. Sorry.

**MR O'ROURKE :** I thought those comments in the draft report made a lot of sense.

**DR ROBSON:** It's all right.

**MR O'ROURKE :** Because it is – it can be quite difficult to make sense of corporates giving - - -

**MS ABRAMSON:** Yes.

**MR O'ROURKE :** - - - in its various forms and it would certainly, you know, add an extra level of accountability and transparency to organisations that do give, and a lot of them do and there are many that still don't so - - -

**MS ABRAMSON:** Thank you.

**DR ROBSON:** I guess, on the workplace giving, I'm interested in following that up but a bit more generally. So, I mean, one of the things we've heard throughout this inquiry is one of the reasons that people don't give is that they have never been asked. And so, you know, workplace giving is one way to try to address that. But, I guess, in your organisation we'd be interested in how do you – like, you have an existing pool of donors and you go to them but how do you chase new donors and what's the mechanism you use and what's been your experience with that because, you know, if the government is going to get close to this doubling giving goal, which we don't endorse or say anything about in the report as such, other than it's there and it's part of the context of the report, but one way, obviously, would be to increase the pool of donors. The other way would be to have existing donors contribute more. Or some combination of those two things.

**MS HAMPSHIRE:** All those. Yes.

**DR ROBSON:** But I just wondered if you could comment on that issue?

**MS ALLAN:** Yes. So we do active – obviously, our position as well as our intention efforts, we have a base of approximately 200,000 active donors across the year. There are about 65-70,000 of those are sponsors. Sponsors, I think what I'd say, as far as acquisition, we know people first start giving to an organisation because they relate to the cause. They relate to, you know, the efforts of that organisation and, indeed, their output. And I think then trust comes as probably a close second or third. So then do they trust that organisation, can they see that their dollars are making a difference and they're being spent where they need – where they say they're going to spend them. From an acquisition perspective, we're using channels such as digital is quite large for us.

We actually are an active direct mail organisation as well. Especially with our existing donors. Not so much to acquire. We don't find that as fruitful as a channel. And we also use the media. So you see television advertising, outdoor advertising, radio advertising. And those things in combination, I think the digital and the outdoor or the above the line advertising, tend to work quite well for us. However, from a philanthropic perspective, all that is individual relationships. So one on one. So it relies on either approaches to organisations or contacts. So, you know, people that we know within organisations or relationships that might introduce us as well. I'd say from a philanthropy perspective, we probably have a one in 10 solicitation ratio. I'm looking at Josh. Yes.

**MR O'ROURKE :** Could be that. Yes.

**MS ALLAN:** Yes. From – I guess, from a new donor perspective, I mean, it depends on the type of donor that we are recruiting. If we're looking for a sponsor it will cost us a little bit more than if we're looking for just a cash donor. We know sponsors stay, on average, about seven years. We know cash donors, maybe between three and four years. Sponsors give about twice as much as a cash donor because of that model and because of the child sponsorship model. So – yes, so for us, I think, there's also then a large narrative around also being leaders and advocates.

So, you know, Anne's role and the role that our CEO, Doug Taylor, plays is quite important for our organisation to stay in the limelight or, you know, to stay in the media and know that, indeed, what we're doing is making a difference. So the outcomes that Anne's team actually track for the organisation, how we're impacting not only through our programs but then also total number of children being impacted and that societal outcome that we're also helping to achieve, all extremely important, especially for highly engaged donors.

**DR ROBSON:** Yes.

**MS ABRAMSON:** Do you find that programs, like your Children Future Education, are programs that bring people into The Smith Family so it's very well-known and recognised? So is that part of the model as well? You've got – I know you have other projects, by the way, but that's quite a – especially with the new school year, you know, you notice that.

**MS ALLAN:** So – and what I'd say to – you're very right, Julie. The majority of our donors actually are AB profiles. So your higher end profile. And they have either had a tertiary education themselves or they're highly educated. They value education.

**MS ABRAMSON:** Yes.

**MS ALLEN:** Therefore, they value what The Smith Family does. So you're absolutely right, the CEFF, the Children Education Future Fund, definitely does acquire and recruit at very high levels. We have a transformational gift product that actually talks to our five year strategy and the goals we're trying to kind of approach there, and then we have one year goals, and a lot of it we're talking to acquire maybe a cash donor. It might be the program and our, you know, current horizon on - - -

**MS ABRAMSON:** Yes.

**MS ALLAN:** - - - the children that we're trying to help in that program or what those programs might be. So what we're doing is selling either short term horizons to get them in or really long terms horizons - - -

**MS ABRAMSON:** Yes.

**MS ALLAN:** - - - depending on the value of that donor.

**MS ABRAMSON:** Thank you.

**MR SEIBERT:** Okay. Just on the topic of Paying What it Takes, administration costs, overhead costs and – thank you for your comments in your submission and response to the draft report as, I think you note in there, we have a draft finding around administrative expenses not



being an accurate reflection of the performance of a charity. And I just wanted to ask you, sort of you make a comment in the submission about the role that government can play in terms of changing some of those attitudes and perceptions. And I also wanted to ask you about whether there is a role for charities themselves, philanthropic organisations, because I do sometimes see – we do see examples of charities when they’re advertising and it’s a competitive marketplace to acquire donors. Sometimes saying, for example, that, you know, all the money goes to the cause, etcetera. Is there a – is there something that charities and others could do as well, possibly through self-regulation, for example, around sort of helping to change that narrative alongside possibly government?

**MS ALLAN:** There most definitely is. Yes. I actually am leading a coalition at the moment that is trying to do just that. So working in the industry and we’re looking at, probably, some of the practices and some of the behaviours. I guess, the communications that we do that do us a disservice in this regard in starting to, I guess, shine a light to the value of overhead and what overhead does for an organisation to then begin to change our practices, as you say. I think not seeing that pie chart on the front of someone’s – whether it be annual report or websites communicating the money that doesn’t go to the cause is doing us some major disservice. So we’re actually – we got together a number of charities. We’re actually looking to launch at our industry conference at the end of this month and start to get others on board.

We’ve done some research in this space funded by PRF. That’s helped us to better understand the practices that charities are doing and the way donors perceive those practices and, indeed, what we’ve found is that donors don’t fixate as much on this, and nor do they need, I guess, those – a lot of the narrative that we, as an industry, are perpetuating is because of the transparency. I think, because we’re trying to be accountable as organisations and show that the money goes where we want it to go, there is this very unhelpful narrative into minimising that cost when, indeed, as we were talking about before with innovation and things - - -

**MS HAMPSHIRE:** Yes.

**MS ALLAN:** - - - organisations need to be sustainable. They also need to track their outcomes. So how do we start to shift that narrative by starting to look at our practices and we hope to get some consistency in those shifts based on the research that we’ll be launching at the end of this month.

**MR SEIBERT:** Any information you can provide about these initiatives or the data, etcetera? Obviously, you might not be able to provide all the information but anything would be really helpful for our thinking because we’re really - - -

**MS ALLAN:** Yes. Great.

**MR SEIBERT:** - - - looking at this very holistically.

**DR ROBSON:** I might just return to – I think you mentioned sort of the link between trust and effectiveness and impact and we had a bit of a discussion in how that’s changed over time. But we were asked, in the terms of reference for this inquiry, to look at, you know, measures of effectiveness and metrics and whether it was a, you know, an idea to, for say, government or someone to, you know, for want of a better term, mandate measures of effectiveness. I just wondered what your views were on that, noting, you know, I think, is it fair to say that, you know, you deal with that in different ways depending on the donor? Some donors aren’t

interested in, you know, how many children got this test score but some donors are and so you tailor that to each donor, is my understanding. But I wondered if, yes, you could comment on this idea that there'd be a, you know, moving towards a sort of one size fits all measures of effectiveness, in your particular sector - - -

**MS HAMPSHIRE:** Yes.

**DR ROBSON:** - - - but then more generally across the sector.

**MS HAMPSHIRE:** Yes. I might begin and then - - -

**MR O'ROURKE :** Yes, thanks, Anne. Yes.

**MS HAMPSHIRE:** - - - pass to my colleagues. I think the turning point for us is an absolute fixation on measuring our progress. In the first instance, ourselves against ourselves. So are we improving year on year. We would be highly supportive of the notion that there should be more transparency and visibility of outcomes and what is being measured. At the same time, we would also caution that sometimes what might look like oranges on the one hand, might not be oranges in the left hand. And the measurement of outcomes when people are involved, and we're talking about changes in attitude, changes in – changes in achievement, perhaps, are a bit easier to measure but sometimes many programs will be looking at changes in behaviours or quite subtle changes in attitudes.

**DR ROBSON:** Yes.

**MS HAMPSHIRE:** One of the very concrete examples, for example, in the education space, we run a large Learning for Life scholarship program educational focus. One of our key measures is whether or not a child completes year 12. Our program recruits children who are living in families who are on a low income, in one of our partner schools and the parent will sign up to an agreement to work with us. That's the criteria. Essentially, these are children living in poor families. It's not academic merit based and we stay with those students over the long term. You might also have a scholarship program for children, for example, where it is merit based and that very simple example would suggest that you – whilst the end goal for both of those programs might be measuring a proportion who completed year 12, the starting point is very different. The client group is very different. Our program is longer term. This program might be picking up students in year 11 and 12.

So whilst the intent is highly admirable and the intent around transparency and visibility, the nuance in the outcome space just in education alone is incredibly challenging and there could be very blunt instruments with the consequence being, if it's not well done, that those children, young people, families who are most vulnerable, because they're in fact harder to service actually miss out. Because it's easier, for example, to get a young person who's recruited on the basis of merits through to year 12. And I think, because we also don't have a lot of externally available public data which would allow us to say what would we expect to happen anyway for these two groups of children if they didn't have an intervention it would make some of that discussion in an outcomes level very, very difficult. You would expect most students who were recruited on the basis of merit to get through to year 12. You would not expect most children who are recruited because of a lens of poverty to. So that's just one very concrete example. Whilst we completely admire the intent and we believe there should be more visibility and

transparency, but something that might look simple could be a very blunt instrument with very unfortunate consequences.

**DR ROBSON:** Yes. Krystian.

**MR O'ROURKE :** Yes, I also say – and you think about an organisation like The Smith Family or a large organisation, we have a wonderful team of researchers looking out at our programs and contrast that with the much smaller charities that are, you know, operating on a shoe string, you know, there is a cost associated with program measurement and evaluation and – so there's a practical reality around, you know, how many charities could actually do some of that work.

**MR SEIBERT:** So to summarise, are you saying, effectively, that, you know, there's – you'd welcome an expansion of opportunities to share information about impact and effectiveness but you caution against potential unintended consequences?

**MS HAMPSHIRE:** Absolutely. Yes.

**MR O'ROURKE :** Yes.

**MR SEIBERT:** And what sort of things – and you can sort of follow up on this or you might have some thoughts now – could be done to support that sort of thing, in terms of sharing information about effectiveness and that – yes, what would be the role for government there or not the role for government?

**MS HAMPSHIRE:** There's more work being done in the not-for-profit sector in sharing across organisations with various outcomes. Organisations like the Department of Social Services, for example, are trying to bring together similar organisations to explore this work. I think when you have common outcome frameworks that helps and when you might say our organisation is focused on this part of the outcomes framework, another organisation might be focused on something else. I think, for us, one of the things we need as a nation for children and young people is a collective view of what do we want for children and young people. So, essentially, a framework that starts off by saying we want all children to be a, b, c and d, and then programs and organisations can fit against an outcomes framework like that.

**MR SEIBERT:** Yes ..... DGR?

**DR ROBSON:** Yes. I note in your submission, you know, you do have comments around, you know, your DGR status. So just tell us, maybe – and if you could give some examples of how, you know, that has supported your equity objectives currently. And you're noting that it is a big part of our report and you do note there our draft recommendation 6.1. So maybe just give us – yes, take us through in a bit more detail the benefits that - - -

**MS HAMPSHIRE:** Yes.

**DR ROBSON:** - - - The Smith Family and – has come from its DGR status.

**MS HAMPSHIRE:** So as a whole organisation we, obviously, have DGR status, PBI status and all the rest.

**DR ROBSON:** Yes.

**MS HAMPSHIRE:** Our comments relating to DGR were just about your recommendation in the school's space. We don't have a broad view about the building funds but we do have a view that initiatives like scholarships which have an equity focus, our Learning for Life scholarship program, 65,000 children living in disadvantage, clearly has an equity focus. We wouldn't want – and it operates within a school environment so our partner schools – 750 partner schools across Australia, all of them are low SES schools. We wouldn't want anything that's implied in the changes to DGR status to impact our capacity to deliver scholarships in those schools, nor would we want our initiative around digital inclusion. Our aim is to see all of those children digitally included by 2027 under our current five year strategy.

That means the provision of a digital learning essentials package which involves a laptop, data, skills training. We wouldn't want any of those core programs to be swept up in this DGR piece. We don't think it's intended to but we just wanted to make sure of that and we thought there might be some value – because sometimes when you have a sentence which says something like except where there's an equity focus, people might go, well, what does that mean. And so for us it would be things like scholarships for disadvantaged children. It would be things like laptops that we provide. We see those as being absolutely having an equity focus given our student cohort or students living in financially vulnerable families.

**MR SEIBERT:** So just ..... you're a PBI, a public benevolent institution, so you effectively use that endorsement for all your activities, including scholarships and supports provided to students in schools in disadvantaged areas? Is that correct?

**MS HAMPSHIRE:** That's right.

**MR O'ROURKE :** Correct, yes.

**MS HAMPSHIRE:** That's right.

**MR SEIBERT:** Okay.

**DR ROBSON:** And do you think, you know, in your experience, how responsive are donors to that status? You know, I mean, it's a bit of a thought experiment but, you know, do you think that, you know, you get more donations - - -

**MR O'ROURKE :** Yes, indeed.

**DR ROBSON:** - - - as a result of that and – yes.

**MR O'ROURKE :** Yes. In fact, there are, you know, many grants available for DGR charities. So you'd be immediately excluded from several large funding opportunities without that.

**DR ROBSON:** Yes.

**MR SEIBERT:** Okay.

**MS HAMPSHIRE:** And, hence, that was also the piece about the tax return.

**MS ALLAN:** Yes.

**MS HAMPSHIRE:** Where we thought there was an opportunity voluntarily in the process to have potentially a drop down menu where I'm filling in my tax return, I now know what I might get, and then an opportunity to donate some, perhaps all, of that - - -

**MS ALLAN:** Yes.

**MS HAMPSHIRE:** - - - to the charity during that process.

**DR ROBSON:** Yes.

**MS ALLAN:** But I think it's probably also reflective of the fact that June is by far the sector's largest income month, right. So there is, you know, so much – there is so much driven by people securing the benefit for their taxes so - - -

**DR ROBSON:** And do you do any specific marketing around tax time to say, you know, June 30 is coming up, before you do your tax return do you know that you can get a – you know, this is tax deductible?

**MS ALLAN:** We have for, I think, probably nearly 100 years probably have an appeal that goes on through May and June.

**DR ROBSON:** Okay.

**MS ALLAN:** As do, I would say, you know, a very high proportion - - -

**MR O'ROURKE :** The vast majority .....

**MS ALLAN:** - - - of charities.

**DR ROBSON:** Yes.

**MS ALLAN:** We do dial up the tax return messaging in June. So, yes.

**DR ROBSON:** Yes.

**MS ALLAN:** So that message comes – yes, comes through loud and clear.

**DR ROBSON:** Yes.

**MR SEIBERT:** And just going off on that - - -

**MS ALLAN:**

**MR SEIBERT:** - - - is there – because I see a lot of that marketing around sort of June – up until June 30 but - - -

**MR O'ROURKE :** Yes.

**MS ABRAMSON:** New year, yes.

**MR SEIBERT:** - - - is there marketing sort of around sort of after June 30 around when you get your tax return you can donate some of it as well?

**MS ALLAN:** No. Yes.

**MR O'ROURKE :** No.

**MR SEIBERT:** Because, again, it's an area where there's obviously, you know, questions about what the government's role is here but also about, yes, what – because people, you know, they get their tax return and two weeks later they, you know, hopefully, got some money in their bank account from it. So – yes.

**MS ALLAN:** Yes. It's a very interesting – because I think, my perception would be people are – they're prompted to give based on change and, you know, some sort of change. Whether in their perceptions, an affiliation with a cause but it generally is a personally motivated piece.

**MR SEIBERT:** Yes.

**MS ALLAN:** So having to tap into kind of those opportunities or moments would be the right way to go. And what I'd say, our dollar is already stretched doing the promotions - - -

**MR SEIBERT:** Sure.

**MS ALLEN:** - - - where we kind of know the peaks and troughs that associate with our brand. It might be tricky for us, yes, to try and do that as well.

**MS ABRAMSON:** I - - -

**MR O'ROURKE :** Just to give you - - -

**MR SEIBERT:** Yes.

**MR O'ROURKE :** - - - an indication around two thirds of our major donor income comes in May and June.

**MR SEIBERT:** Yes, okay. Interesting.

**MR O'ROURKE :** And it's about \$10 million, around.

**MR SEIBERT:** And what proportion of your small giving comes around then?

**MS ALLAN:** I'd say 15 per cent. 15 to 20 – yes.

**MR SEIBERT:** Okay.

**MS ALLAN:** 15 to 20 per cent. I mean, for example, our appeal in May, June period, we get 50 per cent of the income that happens across those two months in the last week.

**MR SEIBERT:** Interesting. Very interesting.

**DR ROBSON:** Yes. We've only got a few minutes left allocated but, Julie, you've got some questions?

**MS ABRAMSON:** Yes. I just wanted to ask you a bit more about superannuation. So as you'll see in our report, whilst we saw no reason to change the tax treatment, given that superannuation is concessionally taxed anyway, we are interested in this idea of making it easier to nominate, and we're very hopeful that the superannuation funds will have something to say to us about that, but there is an issue about protection of donors. So I'm interested in any views you have about what safeguards we might need to introduce, if you had such a reform?

**MS HAMPSHIRE:** Julie, we're not sure of what the issue might be that you're referring to?

**MS ABRAMSON:** A test of entry capacity type issues.

**MS HAMPSHIRE:** Yes, okay.

**MS ABRAMSON:** And when money flows to an estate - - -

**MS HAMPSHIRE:** Yes.

**MS ABRAMSON:** - - - there's a whole process around that that supports, you know, did the person have testamentary capacity.

**MS HAMPSHIRE:** Yes.

**MS ABRAMSON:** And there are rules around it.

**MS HAMPSHIRE:** Yes.

**MS ABRAMSON:** And court obligations. I'm not foreshadowing that there is an issue but I'm asking if you did this, because it could potentially be a lot of money, what type of obligations would you, perhaps, ask of the super trustee, for example?

**MS ALLAN:** We might take that on notice.

**MS HAMPSHIRE:** We might take that one on notice .....

**MS ABRAMSON:** Absolutely. Thank you.

**MR SEIBERT:** Yes. That's fine. Absolutely.

**MS ABRAMSON:** But that's the thing that - - -

**MS HAMPSHIRE:** Yes.

**MS ABRAMSON:** - - - we're thinking about, is it wouldn't have all the protections that lie within an estate. It doesn't mean it's not something that you would do but one of the things you

might think about is should there be some process where the superannuation fund is able to know that the person who's making that gift is making it of free will.

**MS HAMPSHIRE:** Yes.

**MS ALLAN:** Yes.

**MS ABRAMSON:** And I know from your other work that you're very aware, not so much with charities like yourselves, but you're very aware of aged people's vulnerabilities.

**MR O'ROURKE :** Yes. Of course.

**MS HAMPSHIRE:** Yes.

**MS ABRAMSON:** So that's really what I'm asking about. Thank you.

**MS HAMPSHIRE:** Yes.

**MR O'ROURKE :** I see. Yes.

**MS ALLAN:** I mean, it's interesting too, with bequests at the moment, what we're seeing probably is cost of living actually throwing more bequests into contest status. So you're actually getting a lot more scrutiny around bequests at the moment, just because of cost of living pressures, I think, on everyone. So, yes, a great .....

**MS ABRAMSON:** Yes. And I suppose the follow up from me would be, we do have a dispute resolution scheme which deals with superannuation complaints. So that's why we're thinking about, well, what are the other things we need to think about. But as always, The Smith Family has been incredibly helpful, so thank you.

**MR SEIBERT:** And just on bequests and sort of disputes, any data you've got around sort of changing - - -

**MR O'ROURKE :** Yes.

**MR SEIBERT:** - - - patterns there, in terms of bequests being challenged and sort of any – what that – any issues that raises for charities would be very helpful as well.

**MR O'ROURKE :** Yes. Okay, great.

**MS HAMPSHIRE:** Okay.

**DR ROBSON:** I might just ask one more question.

**MS ABRAMSON:** You get the privilege of being the chair.

**DR ROBSON:** Yes. That's my prerogative. You just mentioned cost of living. I mean, what's been your experience in the cyclical versus the long-term pattern that you've seen? What has been the impact on your donations of, you know, the sort of – people's experiences over the last 12 to 18 months?



**MS ALLAN:** Yes. I don't – and because, again, our organisation, individual givers give about \$90 million of our 133 that come in. So a pretty significant number. Lots of people, smaller dollars. What we're definitely seeing is few people giving, giving higher amounts. So those that still have the capacity are giving higher. I think that the nice flow through here is they realise and fully appreciate those doing tougher are doing tougher because of cost of living. So because they have what they have and they're able to give, they're giving more.

**DR ROBSON:** That's interesting.

**MS ALLAN:** But we are getting more cancellations. So not as many of our sponsors are able to stay on with us and continue and they're concerned what happens to their child. So having to then do larger acquisition drives to try to make up for those shortfalls and, indeed, whether ambition to grow and help more kids, we've got those kinds of two factors playing in.

**DR ROBSON:** Yes.

**MS ALLAN:** So not only were we meant to grow but then also having to find more donors because of the higher attrition that comes through.

**DR ROBSON:** Yes.

**MS ALLAN:** Do you want to add to that?

**MR O'ROURKE :** Yes. I'd just say we're also starting to see some – I'd say some early signs of corporates starting to tighten their community investment as well.

**DR ROBSON:** Right.

**MR O'ROURKE :** You know, we're seeing, you know, redundancies, talks about, you know, additional costs, etcetera, so it's early days but, yes, we've got some concerns about what the next 12 months might look like, from the corporate support.

**DR ROBSON:** Okay. Thank you very much.

**MR SEIBERT:** Thank you so much. You've been really helpful.

**MS HAMPSHIRE:** Pleasure.

**MS ABRAMSON:** Thank you.

**MR O'ROURKE :** Thank you.

**MS HAMPSHIRE:** Pleasure, all the best.

**MR SEIBERT:** Really appreciate it.

**MS ALLAN:** Thank you.

**DR ROBSON:** So we've now got Faith NSW and Better Balanced Futures? Okay. So welcome. If you could please state your name and organisation for the record and then if you'd like to make an opening statement we'd be happy to hear that and then we'll get into questions .....

**MR M. NORMAN:** Murray Norman, CEO of Better Balanced Futures and Faith NSW. Better Balanced Futures is a research group that supports a religious education community and has a strong emphasis on religious education. Can I introduce Surinder Jain, who is co-chair of Faith NSW and Better Balanced Futures and also vice president of the Hindu Council. And Josh Bonett, our research and communications for Better Balanced Futures and Faith NSW. Faith education across New South Wales is a core plank of education, whether that is public or private. The Alice Spring declaration that federal and state ministers and governments have signed up to have in there that students will be given spiritual ability to have spiritual education within the part of their schooling. Whether that's in private or public. About a third of the schooling is private, two thirds is public.

We do a lot of work and a lot of research across public schooling and how that religious education is conducted. It's conducted in in-faith education, like you have in New South Wales and Queensland where time is taken up in the curriculum. There's general religious education where schools educate all the students about religion and how that interacts. And we also, more recently, have been involved with governments at a state and federal level on religious bullying and vilification in the education space and helping. So we're very thankful that we can come today. We are very keen to speak against the removal of tax deductibility for the faith education in public schools, noting that over 60 per cent of Australia is religious. Two thirds of students go to public schools and, looking at the scope there with a rationale of community wide benefit, religious education in schools providing religious education for those students and families that would like to receive that, providing that in a way that is not subsidised and also not conflicting with a tax deduction.

It is noted that religious education in schools is not funded by government because each of the faith communities believe different things. And they rely on the faith communities to come and provide an ever increasing amount of sophistication and specialisation as they teach. And across the sector we receive funding from private ancillary funds, direct donations, bequests. We are currently ramping up payroll giving in private schools, which is a third of the schooling sector, noting that where businesses can provide a matching, schools aren't allowed to do that because of government regulation. So tax deductibility in that new sector that we're looking to explore into would be decimated without tax deductibility. And there is a very high correlation between our faith community's volunteers as they access schools. So thank you very much for the opportunity to present today.

**DR ROBSON:** Thanks very much. So, yes, we're interested in exploring, you know, these issues that you talked about. So do you have any data or numbers or sense of, you know, what that response would be? You know, you said it would be decimated. So to what extent – I mean, what proportion of your funding is actually funds that people claim as a deduction or benefits from the DGR status as it – roughly, if you've got any figures on that?

**MR NORMAN:** So DGR status is about 90 per cent. We do have funds provided by churches, mosques, synagogues, temples, which isn't tax deductible. So that comes in as well.

**DR ROBSON:** Yes.

**MR NORMAN:** And one of the main areas, when you're looking at religious education, it goes into curriculum, training, all the things that our volunteers need because – like, we've had probably Australia's largest report into religious education and even for a non-religious primary ethics in New South Wales looking at the need to partner with government to increase training, support, those type of things, in school context. So it's about 90 per cent. Our – primarily, institutions are contributing in but if that was the case, it would decimate our pools of volunteers because they wouldn't have the confidence to go in without those strong curriculums. And we wouldn't want them going in without strong curriculums, support and when schools are dealing with that and dealing with communities, we want to make sure we support them well.

**DR ROBSON:** And in terms of – so you mentioned government grants and, you know, you don't seek those. So in your view, that's not a reasonable alternative way of providing support for these activities? You think that the DGR status is a better way of doing it or it's just not - - -

**MR NORMAN:** Can I give you an exact example - - -

**DR ROBSON:** Yes. Go, yes.

**MR NORMAN:** - - - which will illustrate my point?

**DR ROBSON:** Yes.

**MR NORMAN:** This is without notice but Surinder is an expert from the Hindu community. I'm going to let Surinder explain. Two weeks ago there was one of the largest events that happened in the last 500 years – so double the length of Australia's – as a nation has existed – happened. And schools were caught unawares. Government was caught unawares. Didn't know what to do with that. Can I get Surinder to explain - - -

**DR ROBSON:** Yes.

**MR NORMAN:** - - - what's happened in the Hindu community? And, currently, we're being asked at state and federal levels to help address that issue. But I might let Surinder explain the issue that's happened and then I might explain - - -

**DR ROBSON:** Yes.

**MR NORMAN:** - - - why the government doesn't want to be involved in funding that and how we need the communities to step up. So, Surinder, can I get you to explain about the temple opening?

**MR S. JAIN:** Yes, sure. Before I do that, I will explain how Hindu communities are very different from other communities in Australia. First, we've arrived very recently. Most of us are struggling to find a job, to build a home, etcetera. Second, we are highly decentralised. All of our temples are quite independent of each other and independent of Hindu Council of Australia. So keeping them altogether, it's not difficult because Hindus would go every temple, but getting funding from the temples like other ..... can do is very difficult for us. Third, we are all volunteers. Hindu Council is all volunteers. We don't have any paid staff. Most of us are working nine to five on a job and then five to nine for Hindu causes and Hindu issues.

In that background, one of the largest, even in Hindu history, of five – during the last 500 years, a new temple has been built in India with – which is the birthplace of Lord Rama, who’s an incarnation of our God in the form of Vishnu. Hindus all over the world are very excited. A temple exists there for 2000 years. It was demolished by foreign invaders and now finally it has been reestablished. This event has gone totally unnoticed by the press. Some of them have covered just the political side of it. And in Australia we found the same thing. It gives a background of where our community is. Even the biggest event of our community doesn’t come to the attention of what our community is going through.

We are 3.8 per cent of Australia’s population. We are very disappointed with the recommendation that DGR should be removed for school building funds and for teaching religious education. Our religious education is all – there’s no funding for it. It’s all done by volunteers and they pay their own bus fare to go to the school. They pay for their own photocopying, and so on. We also don’t have any of our faith-based schools. We are planning to build one and what we are finding is that other faiths have utilised DGR status to raise their funds and now it’s our turn and the gates have been shut. Others have come through, that’s okay. No, you can’t come through. And that’s our concern. Thank you.

**MR NORMAN:** So back to your question about funding, the temple that Surinder talked about being constructed was constructed over a mosque. So one of the issues in Australia, for the government to fund education about that, would be complicated because then the Muslim community would go, hang on. Even though in India the High Court has ruled that that’s what will happen, that will create friction in Australia. So part of the funding that Better Balanced Futures is doing is how do we help the Hindu community tell their story about this temple, celebrate in an appropriate way that doesn’t create social unease. And you might think who would ever even think about that, you know, celebration. Diwali festival recognises that God. Do you know what I mean? So Australia is going to have that celebration. The temple has just been created. Without tax deductible funds, the Hindu community will not be able to tell its story. But that’s why politicians aren’t getting involved, and I would suggest they shouldn’t get involved.

And my advice to politicians is let each of the faith communities through tax-deductible giving raise the funds and then we work together as Better Balanced Futures to help work together in a cohesive society. And that’s one of the reasons why we were so keen to reflect here today. That’s just one example. I could give you examples across Muslim, Jewish, even Christian, but that’s a real life example that state and federal are currently dealing with at the moment, because Diwali is quickly coming, but if you look at Ramadan, if you look at Hanukkah, there’s a whole lot of other issues that I could share, very similar stories, that the government would not want to side one side or the other. We would want to let each of the communities and then help them to take their place in public schooling because these discussions are happening in public schooling and it’s very hard for teachers to have enough understanding to know what to do, and that’s where inviting the community in to help. So I don’t know if that helps give you an example but it’s - - -

**DR ROBSON:** Yes. It’s – yes.

**MR SEIBERT:** Just – yes, just to follow on from this. So how does – would you sort of guide us through, like, the role of special religious education which is – which currently is eligible for DGR status, and how, in this case for example, like, just with this case study sort of, yes, what the linkage is there and how it assists, in terms of doing that?

**MR NORMAN:** So can I give you an example? It's different state by state. So can I give an example in ACT - - -

**MR SEIBERT:** Sure.

**MR NORMAN:** - - - which is slightly different.

**MR SEIBERT:** Yes.

**MR NORMAN:** And New South Wales I'll give a different example. Because it is complicated. So in New South Wales we have religious education and we also have a non-religious option. So primary ethics. So parents go to school, they sign their children in, they get an option. They can choose religious, non-religious. One of the options they'll have in schools where there's a Hindu community is Hinduism. Part of the teaching, and in primary school it might be half an hour, high school it might be up to an hour, they learn a curriculum that goes through the tenants of being a Hindu. So they get to ask questions, they explore through holy text and then they work out, as an Australian, how am I going to live my life, how am I looking at adopting Hindu practice they're learning. That doesn't mean that you get forced to be a Hindu but it does give them, in the secular schooling space, an opportunity to understand that.

Now, this is a perfect example where the Hindu community don't get help to work out how to put that into their curriculum, it could do a lot of damage in a school because there's not just Hindu students in schools, there will be Muslim students in schools, there will be Christians, so it has to be done in a way that not only is correct to the teachings of Hinduism, it also needs to be done in a way that meets the metrics of the schooling system. And the Hindu community is part of the consultative group in New South Wales and that meets quarterly to work through these type of issues. I've been made co-chair of the Faith Affairs Council in New South Wales, which is a government body, to help get that integration to work just so we can do a good job and it's a partnership between community and school, but it really relates to curriculum. And then there will be – not might be, there will be – issues with teachers where it hasn't necessarily gone right and then that's where we need to work with principals and parents to help them get a proper understanding because people coming from India don't know how Australia works and there, the schooling system is very, very different. So is that an in-faith - - -

**MR SEIBERT:** So is there – would you say that there's like a lens taken to all this work which might – whichever faith tradition is providing the special religious education, around sort of promoting social cohesion and understanding sort of the different value systems and their interaction? That sort of a broad view. Is that sort of .....

**MR NORMAN:** So in New South Wales, there's in-faith education. So there's a Hindu class, a Muslim class.

**MR SEIBERT:** Sure.

**MR NORMAN:** If you go to the Christian class, you won't learn about Hinduism. If you go to the Hindu class – then there's general religious education and we're working as well, so that might look at festivals. So when Diwali comes – do you know what I mean? Students across the whole school would learn, you know, what is this festival, you know, what does that mean to the Hindu community. So there's that lens that goes over the top and then there is also a lens of religious bullying, vilification. The faith communities are dealing with all of those. If I look to

an ACT jurisdiction – so I’ve been asked to help with the ACT Education Department in the Sikh community, they – part of their religious adherence is wearing a kirpan which is a small ceremonial dagger that they wear.

The Education Department didn’t know how to deal with that. They were ..... jurisdiction so they have to allow the Sikh community to not only have the kirpan but – or a kara which is a heavy metal bracelet, how does that get used in a school. And then the thing that they quickly realised is it’s not only can that be worn, it’s education with the students on, you know, making that safe and the other students. So that’s an example of general religious education and the faith communities were involved because the Education Department was very nervous about not engaging the Sikh community in doing that and the other faith communities, and that’s where we were able to come in.

But it’s only through the DGR status – I’ve just been a Churchill Fellow, travelled the world looking at best practice, unless we can spend the time looking at best practice, bringing it back to Australia, spending a lot of time working across the faith communities and that’s really where the social cohesion happens. Because I was able to explain to the Hindu community, just because in the media you hear a story about Prime Minister Modi and a temple, and it takes a certain slant, in Australia, there’s freedom of press, freedom of speech, you can say that, but you need to tell your story and then how do we get that into schools. And that’s where they were looking at getting DGR status now to ramp up their curriculum so that they can come to the party like the other faiths.

**DR ROBSON:** So just step back a bit. So in the – you know, when we started this inquiry and we looked at the DGR system and, you know, as I said in my opening remarks there was no – it’s hard to find a coherent, you know, set of principles and so we developed these principles and then applied them. I mean, would it be fair to say – I don’t want to put words in your mouth, you can react to what I say but, you know – well, maybe I will just ask the question. What do you – what’s your view on the principles that we came up with and is it more that you – you know, do you agree or disagree with those principles and, if you agree, is it more the application of them that you disagree with? Because we’re interested in - - -

**MR NORMAN:** Sure.

**DR ROBSON:** - - - you know, interested in whether we’ve got it right on the principles and then whether the application is right or wrong. So that’s what we’re interested in, in drawing out.

**MR J. BONETT:** I might comment on – I think it’s on page 19 of your report you talk about wanting to – well, you were – basically, there’s four quadrants. Those who are just – in a coarse term, those who are receiving it, those who are having it removed, all that sort of stuff.

**DR ROBSON:** Yes.

**MR BONETT:** And it refers down the bottom of that page to greater community-wide benefit. And I think our position – like, we agree with that sentiment but I think we disagree with the rationale that the education of one third of our young people doesn’t represent greater community-wide benefit and the – in light of the wanting to double giving by 2030 that the largest weekly group of volunteers across Australia isn’t a group that should be supported by DGR status. But those are the two groups that you’ve decided to remove it from. So 35 per cent

of the education of our young people is in independent schooling. I also thought that the reference to removal of funding, it describes in the 1950s DGR status was bestowed upon private school building funds at a time when the government wasn't supporting it with any other funding.

Now they are supporting it with some other funding but there's no discussion around the level it cost per student. So – and I guess I would like to just say, if it represents a third of our students and our young people and it is increasing. If faith based schools is the fastest growing sector of education, I guess I have a question, why wouldn't we want to continue to support that by any means possible? You know, a report came out this morning – I was literally reading it in the news, I think it's the Grattan Institute, has released a report on the reading – it literally was in the news yesterday, the reading capabilities of students and in a class of 24, eight are not reading at a proficient level and that drops to 50 per cent in regional and remote.

I don't understand the rationale of applying any extra pressure whatsoever to education as a whole, whether it's faith based or not faith based. Obviously, we're here representing the faith communities but – yes, I – so I agree with greater community-wide benefit but, to be honest, it was hard to read how bestowing it on, perhaps, some smaller or more segmented charities represented greater community-wide benefit than faith. And, obviously, I don't have control or an overarching economic picture of the government's purse strings. I think if we're looking to double giving, let's open it up to everyone. But, obviously, as you said in your opening remarks, there is a limit to funding. But that was something that was difficult to agree with the processing of the phrase greater community-wide benefit.

**MR NORMAN:** Can I just come back to - - -

**DR ROBSON:** Yes.

**MR NORMAN:** - - - your three points? I think they are excellent. Totally across the community, that's what we're after. It's the implementation. So it's not the points you've got there, they were excellent. We would totally champion those as well but the faith community is so large within that. You're talking 60 per cent of, you know, the community as part of the faith community. Every aspect is touched. Education is a place where everyone shows up. So that's why we're so keen to make sure that these things aren't reversed, that the faith communities can contribute. I do think it's complicated for government to contribute in that space. On my board I have Muslim, Jewish, Hindu, Buddhist and Christian. I can tell you on doctrine, no one will agree. Like – but if we talk about helping kids in schools, 100 per cent of everyone agrees.

So I think what you've got there, sector wide totally agree. It shouldn't be benefits to that the government are providing but I would think it's inappropriate for the government to fund a – I love the Hindu community. It would be inappropriate to fund the Hindu community to teach about Hindu community – you know Hinduism. You know, whether that's Christianity. I do think in private schools, though, parents have made a choice that that's the education they want. So that would be the preface I would make. And then definitely think that, you know, we don't want converting tax -deductibility donations for private benefit.

But when you look at religious education in schools, yes, parents – do you know what I mean, grandparents might be contributing but when you look at the number of students in schools, I've got four in my family, you know, there's 800 kids at school, it wouldn't matter how much I contributed, I can't dilute that sort of benefit. So I think they're excellent but the implementation, I would say, needs reconsidering just because of the benefits. And some of the

firewalls that I think should be in place with faith-based giving, that doesn't mean that the faith groups shouldn't be provided the ability then to be able to engage with government, government entities in appropriate ways.

**DR ROBSON:** So I put this to you – I mean, there's one way of thinking about, you know, sort of behind the veil of ignorance, you know, if government was to fund these things, assuming that they have these community-wide benefits and, you know, I think, you know, we accept what you're saying there, that the virtue of not necessarily DGR as such, but a tax deduction for donations or – you know, the virtue of it is the government doesn't have to pick and choose. It's sitting back and saying, well, there's a tax deduction for, you know, whatever, the Hindu community or Jewish or Muslim, or whatever it is, and that has a – some degree of community acceptance that what – well, they're not – you know, they don't have their hands directly and they don't have to pick and choose.

And so when I go to the ballot box I don't have to, well, the government gave this to this school and so then I'm going to be upset about that. It's a tax deduction that's – so, I guess, yes, is that one of the virtues you see of the current – and not necessarily – I mean, DGR is, you know, the mechanism we currently have but, you know, you can imagine an alternative tax deduction, you know, separate which would, you know, in some sense replicate DGR but – and would do the same thing, hypothetically speaking, that's an alternative to grants. But what's your view on that?

**MR NORMAN:** So one of the – and this is – so I've been in the sector for 30 years now. Faith communities don't want to cross into other faith communities. So if I say to the Hindu community, hey, look, we've got this Christian project – do you know what I mean – we've even got this multi-faith project, it's nearly impossible to get funding. But if I go to the Hindu community and say, here's a way that you can help to build a school for your community, then they can engage in that way. And then when I say, hey, look, we need to some research to go to a Productivity Commission to actually show that there's community benefit, people are happy to contribute then but it's part of the whole. And this will sound hilarious but the faith communities look at the census and go, well, okay, I'm three point – okay, the maths is – and so it's to that level, you know, the Christian community might want to push back, you know, can we reduce the bill a bit. But it's to that level.

People are very jealous, can I say, around their community. They're very happy to contribute deeply. Above that it gets very complicated and that's where I can nearly say – and I'm happy for Surinder to give some input – having it with the faith community works incredibly well. It's self-regulating and if any of you want to step up and engage with education or aged care or whatever it is, then there's hurdles you've got to cross but you've got the capacity to – I might just share, the Hindu community just got a grant for education. Do you want to share how that's gone for you with no tax-deductibility infrastructure thus far? And this will give an example of – and I can 100 per cent say, none of the Christian communities have put their hand in their pocket to help the Hindu community with the school or an education facility. Do you want to share?

**MR JAIN:** Yes. Before I do that, Better Balanced Futures is doing a great job, even for Hindu community, because we are not up to the mark where other communities are. We are getting a lot of help from them. Like, they're both present here and advocating on our behalf. And our community is happy to contribute, if not fully, a part in that. We have got a grant for setting up the Hindu education and culture hub and we're in the process of determining what infrastructure is required for that. In parallel, there's a group who's a member of Hindu Council. They are



trying to set up first Hindu school in Sydney. They are struggling. They have – they're trying to procure land in Oakville.

They have been able to raise about half of the funds. Other half is they were expecting would come, increase in rents, increase in interest rates, have made it really difficult for the community to put in all the funds that are needed. They can ..... away, will impact it further. It will make it more difficult for us to have our first school. We probably need a dozen schools throughout Australia to cater to the high demand that's coming from our community.

**DR ROBSON:** Thank you. Julie, do you have any questions?

**MS ABRAMSON:** Yes. Could I just – it's Josh, isn't it?

**MR BONETT:** Yes. Hi.

**MS ABRAMSON:** Yes. Well, any of you, to be honest.

**MR BONETT:** Sure.

**MS ABRAMSON:** You mentioned at the very beginning the link between DGR and volunteering. So I'm just interested in understanding a bit more about that link. And, if we have time, any barriers. Apart from taxation issues, any barriers - - -

**MR BONETT:** Sure.

**MS ABRAMSON:** - - - to volunteering

**MR BONETT:** Right. Well, I think there's a large level of volunteering for – within faith communities and their schools and that's probably informal and not even reported. So if I were to speak for myself, I spent three years volunteering doing reading groups with my kids. I don't think - - -

**MS ABRAMSON:** Do you have any data?

**MR BONETT:** But we do have data on the number of volunteers in religious education.

**MR NORMAN:** So we do have data on – one of the things the ARTD review established in New South Wales, if you can't meet those benchmarks, it's not a place that you should be functioning in. So as far as curriculums, that has to be signed off every year. I can get you data on – I think there's 108 different groups in New South Wales – and I can come back with the exact number – but they are having to put curriculums, they have to be online. So I can definitely come back to you with those groups, give you some examples, some hard data on that. If that's not at a level that's high enough, those groups aren't able to be there, but now it's ramped up. You actually need training to go with that because of the pedagogy that the Education Department is actually expecting. But then there's also dispute resolution. Someone teaching in a class, you know, there's an issue with - - -

**MS ABRAMSON:** I suppose – I'm sorry interrupting you. I'm asking for two things, I guess. So the data that you do have, which is hard data, because you - - -

**MR NORMAN:** Yes, yes.

**MS ABRAMSON:** - - - can measure it, but also, you're in the space so you would have an idea about how much of religious education, religious practices is volunteering just as a general how many people of faith volunteer.

**MR NORMAN:** So there's – so in New South Wales – and I will just give you - - -

**MS ABRAMSON:** Yes.

**MR NORMAN:** This is really hard data. So there's 11,000 people that volunteer.

**MS ABRAMSON:** Yes.

**MR NORMAN:** There's 500 that are paid. Now, where that gets a little bit complicated, like, my minister teaches religious education. 100 per cent of people going to those schools are volunteers, but that might be a couple of hours a week out of his week. So we were counting in volunteer the people that are embedded in a school every week if you went up are in the staff room, there's about 500 of those. There's about 11,000 that are volunteers and then if you are looking at ..... festivals and those type of things, the number grows from there, but I can definitely get back to you on that hard - - -

**MS ABRAMSON:** Yes.

**MR NORMAN:** - - - data.

**MS ABRAMSON:** That would be really useful and also and ..... is indulging me here but the link with DGR. Like, why is that so important? And I'm going to put a proposition to you not because it's one I necessarily hold but to test the argument. If you're a person of faith, then for many religions, doing those things is important to do regardless of whether there's a tax deduction because that's actually part of your religious faith, so I'm just interested what the link is with DGR.

**MR NORMAN:** Can I – on that you actually need to be signed off by the religion to go into schools. So the Minister actually requires that every person is signed off and that they have met a certain minimum benchmark of training. So, like, my wife goes in. She has to have a lanyard with her who trained her, her name – she doesn't have a child protection number, but it's - - -

**MS ABRAMSON:** I'm going to press you a little bit hard because we're - - -

**MR NORMAN:** Yes.

**MS ABRAMSON:** - - - testing arguments. So but why is DGR important? If a person is a person of faith, sure, they have to meet all of these requirements. I understand what you're saying to me, but wouldn't that person be – want to do that anyway?

**MR NORMAN:** So, sorry, that's exactly right. They want to, but because they – if they haven't got a curriculum, the last thing you want is a really keen religious person in schools without a curriculum. Hundreds of thousands of dollars are spent for each of those groups in coming up with those curriculums and then you also need the training to go with it, so I will give

you the example of my wife. She can't teach whatever she wants. Surinder goes down, he can't teach whatever – I can't teach. It has to be based on that curriculum. It has to be signed off by your head of faith.

**MS ABRAMSON:** I understand that point. So what – the point you're – I think that you're making to us is that but the DGR provides the funding to enable these obligations to be met.

**MR NORMAN:** Yes.

**MS ABRAMSON:** Yes. Okay.

**MR NORMAN:** That's exactly right. And the nexus would be – like, I can tell you, I have personally stood down religious education teachers that wouldn't go to the training, wouldn't follow the curriculum and so the 10 and a half thousand people we've got isn't the people that are keen to go into schools. It's the people that are keen to go into schools and take up the responsibility.

**MS ABRAMSON:** No. I understand. That's - - -

**MR NORMAN:** So - - -

**MS ABRAMSON:** - - - very helpful.

**MR BONETT:** Yes, yes. I mean, the DGR status is the – pretty much the only financial support that supports that community of volunteers.

**MS ABRAMSON:** I understand.

**MR BONETT:** So that's the actual answer to that.

**MS ABRAMSON:** That's the link. Yes.

**MR BONETT:** Yes. And then in terms of wouldn't they be doing it anyway, well, yes, but their resourcing would be so much harder and I guess I would come back to my other thing. If this is the leading group of weekly volunteers in Australia, then I think the mechanism to support philanthropy should be there to support them. Just like as an animal lover, I might naturally want to support an animal welfare charity, so wouldn't I do that anyway? Well, yes, I currently am. But if we're looking to support and grow philanthropy, then the DGR status should support, I think, the leading group of volunteers as well as many other new ventures to help grow it.

**MS ABRAMSON:** No. That's very helpful and, as I said, I wasn't wanting to put a position that I think X - - -

**MR BONETT:** No. We understand.

**MS ABRAMSON:** - - - Y and Z. I'm just testing the argument - - -

**MR BONETT:** Yes, yes.

**MS ABRAMSON:** - - - and that's been very helpful. Thank you.

**MR BONETT:** Okay. Thank you.

**MR NORMAN:** So it's a very good question and as you go into other states because every state looks different, we're currently having discussions in other states about festivals and those type of things. You can't just invite – and the issue I talked about with Diwali before, you can't just invite the Hindu community into a school to celebrate Diwali with no - - -

**MS ABRAMSON:** No. I understand.

**MR NORMAN:** - - - infrastructure around that.

**MS ABRAMSON:** I understand. Thank you. Thanks.

**MR BONETT:** And there – one more thing I wanted to say, I wasn't able to upload it in the submissions, but the Churchill report that Murray referred to, which was a look at best practice into religious education, I will have to find a way to email that through - - -

**DR ROBSON:** Yes. That would be great.

**MR BONETT:** - - - as an attached appendix.

**DR ROBSON:** Yes.

**MS ABRAMSON:** Our team can be - - -

**MR BONETT:** Yes.

**DR ROBSON:** We can make that .....

**MS ABRAMSON:** - - - in touch - - -

**MR BONETT:** Yes. It's like - - -

**MS ABRAMSON:** - - - with you and - - -

**MR BONETT:** - - - 125 pages - - -

**MS ABRAMSON:** - - - will help you with that.

**MR BONETT:** - - - and it was over the megabyte limit, I'm sorry, so - - -

**MS ABRAMSON:** Thank you.

**MR BONETT:** But it's a look at seven different countries and the best practice and what - - -

**DR ROBSON:** That would be useful.

**MR BONETT:** - - - some really interesting countries like Finland and others are finding with regards to social cohesion from religious education.

**MS ABRAMSON:** That would be very helpful. Thank you.

**COMMISSION STAFF:** Rather than sending the document, just send us the link because – if you want it as part of your submission - - -

**MR BONETT:** Sure.

**COMMISSION STAFF:** - - - we would prefer - - -

**MR NORMAN:** ..... can do that.

**COMMISSION STAFF:** - - - so we don't run into copyright issues.

**MR BONETT:** No worries. Yes.

**COMMISSION STAFF:** Thanks so much.

**MR JAIN:** If I could – if I could add to the questions you asked. From Hindu community perspective, we are really starved of resources. Our estimate is that despite the best effort of our community and volunteers, we are only catering to two to five per cent of Hindus who really want SRE religious education in their schools. In February we get a flood of requirements from schools that we need teachers. We have 200 students in Parramatta schools and we are not able to meet that demand with our volunteer resources.

**MS ABRAMSON:** No. That's been very helpful and thank you for indulging me testing the argument. It's most appreciated.

**DR ROBSON:** Yes. We better wrap up - - -

**MR SEIBERT:** Yes.

**DR ROBSON:** - - - but Krystian, you've got one more.

**MR SEIBERT:** Just very quickly, there's the question around DGR status for special religious education in schools and school building funds. Do you have a view more broadly around – we – our draft recommendations don't propose to expand DGR status for charities with the sole subtype of advancing religion, so sort of like worship charities, etcetera. Do you have a view about that? Whether it should be expanded or not, noting sort of the comments that you referenced to around there are trade-offs in terms of what governments can support, whether it's directly or through tax deductions.

**MR NORMAN:** So religion is an important part of life for a lot of people. I think a targeted focus where tax-deductible giving can be provided to those things that the government wants to focus on. Education's a great one. I think if you broaden it up too broadly and – like, faith groups do a lot of things. Do you know what I mean? And you could find yourself spreading that very thin, but 100 per cent of students go to schools. That is a great place to have, you know, deductible giving, helping the poor. I think we do need to look at helping the organisations and, like, particularly the faith communities partner with government to have directed giving so that organisations can be grown, organisations can be developed. If you were

looking at an area that I think a lot of good could be done is in the aged care – do you know what I mean? So if you wanted an area – I think focus is really good but, you know, if you’re looking for somewhere that you might want to focus on, the Hindu community is just looking at getting aged care facilities. Do you know what I mean? And - - -

**MR SEIBERT:** Because they would benefit. They would already have DGR status. As public benevolent institutions, aged care charities already have that even if they’re faith-based – there are different faith-based .....

**MR NORMAN:** Yes.

**MR SEIBERT:** So just to clarify, the sort of the status quo for sort of worship charities that are sort of advancing religion, you don’t have sort of – if the government was trying to prioritise, you wouldn’t have a major issue with maintaining the status quo rather than expanding eligibility.

**MR NORMAN:** No. I think it should be maintain the status quo, but I do think there’s lots of opportunities. So we have groups that get involved in schools and do seminars and, like, puppet groups and, like, they do music and those type of things.

So some of them actually do that, but it’s only that part of their activities. I think if you go too broad, you will end up with – do you know what I mean? A whole lot of things funded. I think we need to partner with government and look very specifically how do we provide the faith communities options to contribute to those things that the government is keen to prioritise rather than broadening it to everything because if you have a look at the faith communities are quite large. There’s a lot of people there and I think we need to partner with government in areas that they want to focus on.

**MR SEIBERT:** Thank you. That’s very helpful.

**MS ABRAMSON:** Thank you.

**DR ROBSON:** Thanks for your time.

**MR NORMAN:** Thank you.

**MR JAIN:** Thank you.

**MS ABRAMSON:** Thank you.

**MR NORMAN:** Thanks very much.

**MR SEIBERT:** Thank you. We appreciate it.

**DR ROBSON:** We’ll take a break and return at 11.

**ADJOURNED**

**[10.39 am]**

**RESUMED**

**[11.00 am]**

**DR ROBSON:** Okay. We'll get started again. So I would now like to welcome, I think it's the Centre for Corporate Public Affairs, so if you would please state your name and organisation and if you would like to make an opening statement - - -

**MR BURNS:** Thank you. Commissioner.

**DR ROBSON:** - - - we're happy to hear that and then we will get down to questions.

**MR BURNS:** Sure.

**DR ROBSON:** Welcome.

**MR BURNS:** Wayne Burns, Executive Director of the Centre for Corporate Public Affairs and thank you for the opportunity to talk to this inquiry today. Our main focus at the Centre for Corporate Public Affairs is corporations is big business and their interaction with the community where a membership organisation of blue chip companies here in Australia but also New Zealand and Asia, let's say, organisation by membership – by corporations. We're not a lobby group. We're a research and identification of best practice around the corporate public affairs function including the management of corporate community investment which is the main way that large corporations in Australia give – or the broader term philanthropy as well. So we talk about business giving really in the vernacular.

Giving in Australia, a report which we authored for the Prime Minister's Community and Business Partnership in 2016, our research with the ABS and with CEOs of corporations and heads of corporate community investment and chairs of boards as well found that around about \$17 and a half billion annually was given to the community by business. Just under half of that was by small and medium enterprises of less than 100 employees. The lion's share, around about 9 billion, was given by 0.02 per cent of businesses which is corporations with more than 100 employees. So corporations, in many ways, set the temperature and set the path in terms of innovation and also frameworks for giving in Australia by business.

It's a very competitive space unlike some markets like the UK and the US and some markets in Europe. Corporate community investment, a part of giving – business giving is actually quite competitive. And what the business in Australia, corporation who gives, they're looking for two things, they're looking for social impact to make a difference but they're also looking for a business impact as well. So they're looking for that win-win which is a little bit different from just giving money which is pure philanthropy and hoping some good will come out of it, often at arm's length through a foundation.

So there's a business interest in an outcome and as a result corporate community investment business giving is embedded in corporate strategy as well and overseen by boards which is a good thing. It just means that, despite ups and downs in economic cycles or pandemics, that business giving is part of strategy and remains a focus. The main reasons why business gives, especially large businesses in Australia, and this has changed very much from just 15 years ago, the top four reasons given by CEOs and boards, it's good for employee morale and engagement with the employee value proposition, keeping and retaining good talent. It's the right thing to do irrespective of the returns for us as a younger cohort of CEOs and board members who grew up in corporations with a focus on corporate responsibility, so it's the right thing to do.

It helps us form stronger relationships with important stakeholders especially in the communities in which we operate and it's integral to corporate strategy, so they're the top five reasons. And then the sixth reason is enhanced corporate reputation which 20 years ago was the leading reason for CEOs and management teams to put their money into corporate community investment. Part of that investment is

volunteerism. Volunteerism in the workplace – workplace volunteerism has increased markedly over the past couple of decades. Just over 25 per cent of employees in large corporations are involved in workplace volunteering and that has overtaken now the rate in the United States as well which is usually the poster child for workplace volunteerism as well.

Even during the pandemic workplace volunteerism remained fairly stable but it was very difficult to do in-person volunteerism and it has bounced back after the pandemic. Anecdotally it would be good to have some hard data around that as well. There's a non-interventionist public policy setting around corporate community investment in Australia. We think this is a pretty good state of affairs. It's left to the market in terms of competition and the regulatory framework that the Charities Commission puts around charities who may be receiving money from corporations as well.

In markets where there has been an interventionist policy requiring corporate community investments, such as Indonesia and India, the rate of corporate community investment has actually receded, it has gone backwards. That's not necessarily causation but they're the two markets that require percentages of corporate community investment and it hasn't really shifted the needle there. So what role the public sector or public policy could play, there's not so much market failure but there's a gap at the moment in terms of innovation. Best case demonstration of how this corporate community investment is working, there's a case for some sort of clearinghouse, demonstration – case studies, successful case study clearinghouse for what's working, what's not and what's on the boil as well. And public access to that especially by other corporations but also by medium and small business would assist with that demonstration of good practice as well.

Just a couple of final things. Payroll deduction or payroll giving in the workforce among large companies over the last 15 years has risen markedly. Corporate foundations, they really haven't taken off in Australia. The tax treatment of them and actually the reason for them because of a lack of favourable tax treatment for them means companies – a lot of companies that even say they do run corporate foundations, they're basically just a bank account which is audited annually to ensure the money in and money going out are spent in the right manner.

And in terms of corporate community partnerships, around about 6.2 billion of the 8 billion spent by big companies over the last – from 2015, be nice to have some updated data, 6.2 billion of everything spent by big business was through those community partnerships where there's a win-win and it engages employees and the partner as well. So that's the end of my prepared statement.

**DR ROBSON:** Thanks very much. I might just ask you a couple of questions and then – so you read off that list of the motivations for corporate giving and I didn't hear in there, you know, because it's what shareholders want. Maybe that's because the other things that you listed, you know, those are things that shareholders want anyway but it wasn't a specific thing. So I guess that's by way of background to our recommendation around corporate reporting of donations in the report and we think it's important for transparency and accountability but also accountability to customers, shareholders and employees and stakeholders more generally. So I wanted to get your reaction to that



recommendation specifically and then we might talk about a few of the other things you mentioned.

**MR BURNS:** Yes. The CEOs and the board members we talk to, there's no issue around that. They would actually like more transparency around that. In the work that we did in 2015 17 per cent of chairs of boards basically said that one of the benefits of corporate community investment is it strengthens investor confidence and 69 per cent – I apologise, 63 per cent said it strengthens our social licence to operate and that's what shareholders are really concerned about. Has the company got the way clear to deliver strategy and to do business and that really is embedded with social licence.

You would find very few CEOs or boards who said this is woke. This is actually wealth and this is the ability to keep the way clear to do business through social licence which is in the interests of shareholders as well.

**DR ROBSON:** So our recommendation was around listed companies. Do you have any concerns around the compliance burden - - -

**MR BURNS:** No.

**DR ROBSON:** - - - of that?

**MR BURNS:** No because the – you'll find most of the organisations comply voluntarily through indexes and through audits as part of their sustainability reports, so the data is there. It's audited, maybe not so much by PwC in the future but it is audited and very few organisations are concerned about that. Overseas you've had – and you've probably heard this, you've had incidents of greenwashing the last couple of years where some big corporations, including HSBC, have been hauled in front of regulators around their ESG claims. Australia, it's – for most big corporations Australia, even corporations not domiciled here, it's pretty rigorous and there's a very active civil society sector that keeps an eye on this and they will call it out and shareholders associations as well. So there's a bit of attention here and if it moved from informal to formal reporting the compliance costs aren't immense because it's already being done.

**DR ROBSON:** Okay. Thank you.

**MR SEIBERT:** In terms of your members and board members and others, what would be the discussions that you've been having around this proposal? What would be the general tenor of the views on it?

**MR BURNS:** Tenor of views, I mean, you talk to any business today and are more compliance – in a way this is ticking the box for most corporations because they've got the data anyway. The board demands the data and if they reporting it's because they are part of voluntary reporting, like the global reporting initiative. A lot of the companies in Australia, financial services, mining and resources and some other services, which takes up most of the economy with big corporations, they're also reporting through global indexes, sustainability indexes as well.

So in the corporate public affairs functions of organisations you often have a corporate responsibility business unit and about 80 per cent of that unit's activity is collecting data and

having it verified through formal audit as far as – official company audit but also auditing by other organisations, third parties, NGOs or through the UN supported global reporting initiative.

**MR SEIBERT:** And just in terms of the ease of reporting given the internal reporting that already happens and some of it's already external, if there's reporting I suppose it's one thing to report donations of money to, say, a deductible-giving recipient and then you've got goods, you've got volunteering. Are there any – I mean, are there distinctions between that kind of reporting, would it be doable or is it already done in terms of reporting, say, donations of goods, volunteering, that sort of thing because our recommendation encompasses all three forms of donations.

**MR BURNS:** There are two standards being released this year by the Global Sustainability Working Group and that – those two standards including goods and services, like pro bono goods and services as part of investment and also volunteer hours. The volunteer hours are actually quite tricky and our advice to corporations is try not to amortise them. It's a bit of a nightmare. But how many employees gave how many hours, that's a common measure. You know, you can divide it by the number of people - - -

**MR SEIBERT:** So that's doable, how many employees gave - - -

**MR BURNS:** Totally doable.

**MR SEIBERT:** - - - how many hours to DGR charities .....

**MR BURNS:** That is – yes, HR – you know, SAP systems or whatever is used, HR areas hold that data already, so a lot of the data is there. And it is reported mainly through sustainability indexes reported. Formalising it through – requirement through ASIC reporting or some other reporting isn't – it's not a step too far for most organisations.

**DR ROBSON:** Julie, do you want to .....

**MS ABRAMSON:** Yes. I just wanted to follow up a bit more about the reporting and particularly in the absence of, like, an accounting standard – I'm not saying there should be an accounting standard – but how you're comparing apples with apples, so it's also around definition so your views on that.

**MR BURNS:** Yes. The common language is important and in the Giving Australia 2016 report we do – and accepted by government at that time – we do define what various corporate community investment or giving activities by government are definitions are important. If you're talking about volunteering, which we did as a case in point, amortising that is a bit of a fool's errand. A common standard of hours and how many employees involved, that gives you an idea. Same with payroll giving, is actually the number of employees involved in payroll giving and not the number but – the dollar value but what percentage of their payroll are they actually giving. So if you're earning \$300,000 a year or \$30,000 it's the percentage that is indicative.

So there needs to be – correct, there needs to be some apples, apples, apples in terms of common standards. Again, looking at those global sustainability frameworks can provide a good guide because that's how most of Europe are reporting. And despite political machinations in the US, that's how the Securities Exchange Commission wants companies in the US to report as well

despite people like Governor DeSantis in the US, so it's going to happen. So whether Australia wants to go it alone or be part of the global standard is moot at the moment. But what is being – the outputs of what companies are doing at the moment actually are available to fit in to whatever standard.

**MS ABRAMSON:** Can I just ask a bit about – just press you a little bit further. What happens to companies that have got either dual listings or are operating in other markets like – you know, because you've got a global reporting and the corporations law is pretty helpful in a way as are listing rules about what you do within jurisdiction but what's your experience there?

**MR BURNS:** Usually if – I'll just give you an example. If you're an organisation like Unilever that's very much focused on its ESG performance as a way to transform its business over the last 20 years, so it produces a global sustainability report so it has actually got global performance of the organisation. Then it does country reports and it actually breaks it down. So companies, for which ESG performance is very important and the giving part of that is an element of it, produce country reports as well with country data. So they're not available for all corporations but most European multinationals and some really – US companies that are truly global like the Microsofts, the Walmarts, the Googles. Goldman Sachs do that also as well, so that data is publicly available.

For multinationals that are not domiciled here, that data is usually available anyway because it has got to feed into international data. So whether there's a reporting requirement for those companies, that's a matter for policymakers and government. For those multinational companies it's probably – which are very legalistic-focused in terms of regulation and policy – probably wouldn't be welcome with open arms but probably 70 to 80 per cent of those companies would have that data anyway and reported up for international reporting.

**DR ROBSON:** Do you think there's any unintended consequences associated with the corporate reporting recommendation or do you think it would encourage more corporate giving overall or do you have a view or you can't really say.

**MR BURNS:** Look, what it might do is – there's competitive tension anyway. There are very few – unlike the UK, for example, where you might get the whole of the supermarket industry or the top four – top five big supermarkets in the US to focus on one area of social impact. That doesn't happen in Australia. You've got Coles and Woolworths and Aldi and Metcash via IGA, they run their own race, very, very competitive. They want their own turf, they want their own focus, they want a say with actually shift of the needle on this impact. What public reporting could do is hopefully add to that competitive tension there.

It's not so much keeping up with the Joneses but increasingly working for these corporations especially boomers and millennials, they want to work for a company, if they had the choice, generates no social impact, generates social impact and maybe there's only 10 grand in the starting salary or in the salary. The disposed ..... is to go through the company that actually does more so you can actually be part of it and feel good about it. So that's competitive advantage and what it could do – no crystal ball but knowing how competitive it is, you would find some companies saying, "Look, this is what we've done. It has been audited and this is what our competitor does and up to you to judge but they're not doing as much as us".

**DR ROBSON:** Okay.

**MR SEIBERT:** And just to follow on from that, do you think companies might look at what other companies are doing and think, “We might need to lift our giving because we don’t want to look like we’re not doing as much as the other company”?

**MR BURNS:** Definitely. There’s no walk of shame because some companies are different and especially if you’re a B to C company or you’re a B to B company where it’s actually difficult to get and retain good people. That sort of performance can be definitely used as part of your employee value proposition and it could – reporting is great. Data will set you free and the sunlight there could lift all the boats in the harbour. And that’s what some of the international rankings have done, FTSE4Good, the Dow Jones Sustainability Index. Especially in Australia, among the banks, there is pretty keen competition to try to be in the top 10. And most of the Australian banks, for example, are in the top 10.

**MR SEIBERT:** And just in terms of the draft recommendation, it proposes that there’s public reporting of itemised information, so a donation of money to DGR charity, ABC, DEF etcetera, do you foresee any challenges with that information or do companies already have that information, that sort of thing?

**MR BURNS:** They’ve got that information and the only difficulty with that would be some organisations then feeling, “Well, why didn’t we get as much money”, so that could be problematic for some organisations, there are sound business reasons in terms of strategy. Companies who do this well, those conversations would have already happened and they already publish in their sustainability reports or part of continual disclosure where the dough is going and why.

**MS ABRAMSON:** Can I ask, just following up from that and then I wanted to ask you about your very interesting comments on innovation. Do you think that there’s a role for regulators in making sure that what people say they’re doing, they are doing? And we’re certainly seeing the Australian regulators in particular areas but you mentioned the SEC in America so I was kind of interested in what their role has been.

**MR BURNS:** Sort of counterintuitive. The SEC has been all over this, they see this reporting as a good thing because all of their – a lot of the corporations they regulate in the US, their arm extends globally to what the organisations are doing globally especially around the Sarbanes-Oxley legislation which they - - -

**MS ABRAMSON:** Yes.

**MR BURNS:** - - - have to operate. So the SEC is all over this and actually embraces it. The role of regulators ensuring that corporate community investment occurs, our view is leave that to the market but definitely, in terms of transparency, reporting is important to shareholders. It’s also important to the community. We’ve seen ASIC over the past six or seven months really focus on claims around ESG performance and greenwashing. That’s a good thing. That has seen some multinationals draw back into this greenwashing, “Let’s go back and verify and check everything until we make sure” and that’s definitely a challenge for the Australian big superannuation funds in Australia as well. There’s concerted action there to make sure what they’re saying is what they’re saying and that’s not a bad thing.

**MS ABRAMSON:** Thank you for that. Could I ask you also about innovation by business because we hear mixed reviews. We hear that some people are giving because they’ve always

given like that but you made some very interesting comments about innovation in business and business giving so I would love you to expand a bit on that.

**MR BURNS:** Yes. Some of the innovation is not big bang. It's not creating the next wonderful new model for giving. It can be around process innovation. There's far less focus today on board of directors or cranky senior managers saying, "Well, why can't our corporate community investment partner be more like us" because part of the time they're probably one per cent of the size and they're trying to do things with very limited resources. So there has been a shift in the last 20 years. There's less focus on that, it's more focused on how we build the capability of the organisation we're partnering with. How do we give time of our accountants, our marketing people, our IT people as well as money, as well as introductions to our network, as well as access for mentoring to our board to build the capability of that organisation. And that's quite different to what it was 10 or 20 years ago. And there are little incremental pieces of innovation which are moving the needle there, so it's far more partnership and cooperation more than the big business saying, "Here's the money and this is what you should be doing with it".

**MS ABRAMSON:** Can I press you a little bit just for the purposes of the argument. There's another argument though that it's – imposed on the charitable sector is, well, we're prepared to give you this resource and then they need to do a lot of work therein. So I'm interested with the view that you've put that there's a lot of ideas about capacity building into the charitable sector but I'm just wondering how widespread that is in Australia given that we have heard that they welcome the giving of time or whatever but it still imposes quite ..... on the charitable organisation.

**MR BURNS:** That's a good point. Good and best practice is it's – it's supposed to be a happy relationship, there are agreed boundaries, there's also a prenup in terms of a breakup clause. Every good partnership has an end to it, saying this will end in five years or this will end in 10 years or this will end when we've achieved the social impact. So the end of the partnership is envisaged at the beginning of it and not all corporations like this but the companies are doing this pretty well. It is a genuine partnership. There's nothing – there's a reputation quotient in all of this as well. If the company seems to be coming in on a big black horse trampling over the NGO or the charity, I mean, there's reputation – negative reputation capital generated from that. There was a lot of that behaviour probably a couple of decades ago, increasingly less so today. It's still there but I – probably a handful and that's changing very rapidly anyway.

**MS ABRAMSON:** Thank you.

**MR BURNS:** You're welcome.

**DR ROBSON:** I just had a question on DGR and then, Krystian, I think you had one on tax. So as part of our proposals we've proposed expanding overall the number of deductible gift recipient charities and I think you mentioned a figure, 2016 it was 17 billion in giving to the community from corporates so part of that is going to be entities that aren't charities at all, then there's charities and then there's DGRs, there's a subset of that. So my question is, do you have a view or a sense of what the impact of our proposal to expand DGR might have on corporate giving because we have heard feedback throughout the inquiry that DGR status, in addition to the, sort of, direct tax deductibility for individuals, it does have the signalling effect for corporates and governments that DGR does bestow some kind of legitimacy or reputation for good or bad, whether that's justified or not but do you have a view on how it would change

either the overall quantum of giving, our DGR proposal, and also the mix within that given that there's donations to non-charities, charities and then DGRs.

**MR BURNS:** Yes. Thank you for the question. Our view is it would include the quantum but probably not dramatically. It would most likely have more impact on the spread of what already is out there. For example, education and research for big businesses represents around about half of all giving. Now, most of those are to organisations that have DGR status or higher education institutions that have an arm or a foundation. Broadening that could potentially, for corporations using that area of social community investment, it might lead corporations, for example, to focus more on funding individual programs than giving to a foundation that might spread the money more generally and working with individual programs as well.

The mining industry for years has been working around Indigenous employment especially in terms of technical skills but in terms of, for example, focus on the leadership potential of maybe white collar First Nations people, they can give to a foundation who maybe can do that. But we've been – we've done work for resource companies where they're really interested in a leadership program, they would like to be able to send – or to fund that program but it doesn't attract DGR status because it has to go through the foundation which could mean that the money may not even go to that program. If it does, it might be three or four years down the line - - -

**DR ROBSON:** Yes.

**MR BURNS:** - - - so I think a lot of companies would welcome that. But boards and senior management would still want to ensure that, in terms of the governance, the guidelines are very clear and that they were investing in an area that met all the legislative requirements as well, and regulatory requirements. So it would be concern their concern around governance.

**DR ROBSON:** Thank you. Yes.

**MR SEIBERT:** I just wanted to go to the comments you made in your opening remarks about the tax treatment for corporate foundations in Australia, and you said that there's a lack of favourable tax treatment, I think, compared to elsewhere.

**MR BURNS:** Yes.

**MR SEIBERT:** If you could just expand upon that.

**MR BURNS:** Well, in the US the law is sort of clear and opaque at the same time. If you're the Ford Foundation mostly money comes from Ford Motor Company, and it's tax deductible, but where that money goes Ford has – it might go to the ballet in Cincinnati or something else - - -

**MR SEIBERT:** Well, Ford's not a corporate foundation, though. It was sort of founded by Henry Ford sort of once upon a time - - -

**MR BURNS:** Yes.

**MR SEIBERT:** - - - and, yes, it went to the company.

**MR BURNS:** But for example, though, you know, companies that have their own foundations in the US often that company can be the only entity that can donate and give money to that foundation. And, you know, the tax treatment is very different there, and the culture is very different. Sort of giving money over the fence and then taking your hands off it is part of the culture there, and it's part of the recognition, and it's part of, like, corporate reputation. Foundations are less popular here because often there's very little tax benefit for the organisation. If they're giving to a DGR status organisation they're going to get the deduction anyway. And a lot of the way the foundation is almost, like, second handling the money that would go out to a predetermined NGO or partnership anyway. So, this is how corporate community partnerships have developed. You go directly to the partner that's got DGR status – sometimes they do, sometimes they don't – and you work with them directly without the foundation in-between.

**MR SEIBERT:** Yes. I know in Australia, too, you have a corporate foundation sometimes which is really just a business area - - -

**MR BURNS:** Yes.

**MR SEIBERT:** - - - of the - - -

**MR BURNS:** It's an account. Yes.

**MR SEIBERT:** - - - entity.

**MR BURNS:** Cost centre.

**MR SEIBERT:** But is this really a problem in the sense that whether they sort of just give directly or give through a foundation? I mean, they might be able to endow a foundation, that that could have some benefits perhaps, but is there a - - -

**MR BURNS:** It's not a problem.

**MR SEIBERT:** - - - policy issue here, do you think?

**MR BURNS:** It's not a problem. Foundations were sort of big here and became – not big, but they became sort of the flavour of the month. I mean, there were a lot of US CEOs flying in to head up Australian corporations, especially mining and telcos and banking, and all of a sudden that organisation had a foundation. And some of them are still there but they're not the entities of the scale or influence they are in other markets.

**MR SEIBERT:** Do you think that could be an issue in a sense that when, say, you've got a separate entity and, say, it's a private ancillary fund, they give grants and there's a limit as to how much you can get in return? You can obviously get some - - -

**MR BURNS:** Yes.

**MR SEIBERT:** - - - acknowledgment, etcetera, but do you think there could be an issue that you've got, say, a corporate foundation which is a sort of a business area and it's giving – you know, there's the lines could potentially blur between “Here's a donation. You acknowledge us”, you know, “as we would ask you to”, but, then, it's kind of, you know, your money,

whereas the blurring with kind of – which comes through the data, too, around donations versus partnerships, sponsorships, etcetera. Is there more of a risk of that blurring and kind of misrepresentation is sort of a strong term to use – when it’s just, say, a business area versus a standalone, say, private ancillary fund, or something like that?

**MR BURNS:** Look, probably the biggest – and the biggest ones are the – and public companies. The biggest and probably the most effective foundation is the AMP Foundation, which was linked to its demutualisation. It’s a very well-funded foundation. It’s got a series of small grants but also very large grants over a sustained period of time to actually try to shift the needle on social impact. It works very well for AMP and its employees, and employees can contribute to it as well. And there’s transparency around it.

There are others. I can think of one of the big investment banks in Australia that has a foundation of its, basically, ancillary account. It’s money in, money out, and payroll giving is the – an endowment by the institution, and then payroll giving is the way that is funded. You know, the transparency around it is probably not amazing. It sort of reports semi-publicly. It actually – and it’s got procedures, and it’s got governance around it.

**MR SEIBERT:** So, on that, do you think there would be benefit in terms of, if you’re going to have reporting around donations, some sort of basic transparency - - -

**MR BURNS:** Yes.

**MR SEIBERT:** - - - around how it is done through a separate foundation, through a business entity and, you know, some descriptions about that just for the stakeholders, whether the public, community shareholders, to understand that?

**MR BURNS:** Yes. I guess to be a bit more confident in my response, it shouldn’t matter whether it’s an ancillary fund or a foundation.

**MR SEIBERT:** Sure.

**MR BURNS:** The transparency in terms of reporting should be - - -

**MR SEIBERT:** The same.

**MR BURNS:** - - - the same. And one of the problematic things with foundations is that money can be given for one reason and not expended for that reason. We’ve seen that with bushfires and, you know, natural disasters. You know, I think the public demands transparency. If they’re giving money for a bushfire appeal they’d like to see it go there and sort of not kept for something, you know, 10 years down the track. So I hope that’s suggestive of what you’re saying.

**MR SEIBERT:** Very helpful. Thank you.

**MR BURNS:** Yes.

**DR ROBSON:** I’ve got one more question just on payroll giving, or workplace giving.

**MR BURNS:** Yes.



**DR ROBSON:** What are the barriers to that in Australia, in your view, compared to say, you know, the US and other places? Why is it relatively low here?

**MR BURNS:** So, of the organisations in Australia, the big organisations – I mean, these include multinational corporations as well. So, just the figures, 85 per cent of corporations allow employees to make regular pre-tax donations, and 56 per cent of companies match those contributions. The matching is really important. And there's no tax or regulatory problem that we see around that. Employees decide. Often there's a bit of a democracy involved, which is unusual in corporations, where the employees actually vote, "Here are the five areas of social investment", and they might do that every couple of years. So you've actually got a choice in those five areas. And often they're linked to the company's corporate community partnerships as well in terms of trying to get the biggest bang for your buck in terms of impact.

So the employee gets – it's pre-tax, which is great for them, and the company gets the matching tax deduction as well. So that works particularly well. Awareness around that is low for small businesses. In our research we found lots of small businesses – they'd like – they think that sounds great, but they've never heard of it before, that they actually could do that. So, that's an area of awareness. There's a bit of market failure there and in our Giving Australia we recommended – there was a public policy opportunity to work with some of the peak small business Associations in Chamber of Commerce and just to make them aware of this. During a cost of living crisis and a flat wages cycle is probably not the best time to be doing that, but if it's embedded then these type of arrangements survive economic ups and downs.

**DR ROBSON:** Thank you. Julie, did you want to - - -

**MS ABRAMSON:** Yes. I wanted to ask you. I've got some comments about sponsorships by corporations, and just interested: you made a comment in your submission about, you know, whether or not businesses are motivated for commercial reasons. I'm just interested in the other side of that equation, which is what you think – and you may have not data – what the public thinks. So, a brand might align with a particular organisation and then the public might think, "Oh, well, you say that, but you don't do that." So I'm just interested in your views around that, if I've put it enough for you to - - -

**MR BURNS:** Yes.

**MS ABRAMSON:** - - - be able to respond.

**MR BURNS:** Yes. Thank you. So, in terms of giving, there are two types of sponsorship. There are commercial marketing sponsorships, which is a big insurance company sponsors, you know, a rugby league team - - -

**MS ABRAMSON:** Yes.

**MR BURNS:** - - - or IBM is the official timekeeper for the Australian Open tennis and the Olympics. So they're marketing sponsorships.

**MS ABRAMSON:** Yes.

**MR BURNS:** Then you've got community sponsorships which, in Australia, are very focused often in regional areas where you've got a resource company, or a big manufacturing company –

not that there's too many of those around anymore – who, around a fence line community, will invest in local sporting teams and youth activities - - -

**MS ABRAMSON:** Yes.

**MR BURNS:** - - - and infrastructure to sort of bring the community together. So they're community sponsorships, and there's about \$2 billion of those a year. And our experience is working with a lot of those companies, you know, taking a look at their strategy and talking to stakeholders about their impact. If that sponsorship, community sponsorship, is aligned with what the company is doing and trying to build in the community its seen as acceptable. But if, for example, you know, a community sponsorship in Broome is focused on the Australian Ballet in Melbourne it doesn't go down particularly well.

**MS ABRAMSON:** Yes.

**MR BURNS:** And what that means for the company in Broome is, well, there's a couple of other mining companies operating there. Who's your partner of choice? So, there is a market tension. There is competitiveness here.

**MS ABRAMSON:** Yes.

**MR BURNS:** We think the market corrects that. Companies do research all the time around their reputation, and if they find some of their community sponsorships, or even their big commercial marketing sponsorship, are jarring with stakeholders they've got the data to do something about it.

**MS ABRAMSON:** Do you think that over time things have changed, though? Because I sort of was old enough, when you talked about the American CEOs mainly who came to Australia, I remember that, but I think some of our younger members of the team may not. But it used to be, for example, the fact that often it was the local banks that would sponsor the footy team locally, but so many decisions are made now, it seems, out of a head office of an organisation. So, have you seen a change in pattern about that community sponsorship with larger organisations?

**MR BURNS:** Definitely. A lot of large organisations that – if you're a major – I'll just use a general insurer that might be headquartered in Sydney, your operating communities are across Australia but you might have a retail presence through your branches, but you haven't got a community giving or community investment presence there. So what some of those companies do, they have a grants program only open to community organisations, and there's a trend for those grants not to be 5 or 10 thousand dollars, to be a bit more substantial. So, you know, the needle can be shifted. You're not going to do much with \$5,000, although I'm sure all of us could if we were given it right now.

So there's the grants program. But also what happens, obviously, lots of resource companies, again the banks, the manufacturers and some service companies, is that state-based or regional based management are given basically a fund saying, "You can manage this. Here are the guidelines, that you know your local community best. Here is an allocation." So, as well as our national corporate community investment partnerships, here are funds and here are the guidelines, and there's expertise back at headquarters to support your management, but it's up to you to decide, based on local need, what partnerships are managed. And that's increasingly so. There's a bit pot, but because of the nature of Australia there's a fair bit of decentralisation as

well, which often doesn't happen in markets in, for example, UK and the US but more so in Canada and Australia.

**MS ABRAMSON:** Thank you. Do you think – and I promise this is the last question from me, Alex – is there a link with volunteering? Because one of the things we know from our data is that volunteering is very strong in regional communities.

**MR BURNS:** Yes.

**MS ABRAMSON:** So I'm just interested with these developments corporate wise and volunteering.

**MR BURNS:** Yes, volunteering is stronger outside metropolitan areas. It's stronger in outer urban areas and the regional and rural areas. One challenge for corporations is, a lot of corporations give their employees in Australia either between one and three volunteering days. Organisations that offer three volunteering day employees a feel a bit overwhelmed. They're not sure how to use that third day. And one innovation of securing, and we recommend it strongly, is, any leftover days are pooled by the organisation. There might be 300 days. Well, that means you can put a full-time marketing support officer, or a full-time IT person, or a full-time from strategy in your organisation for a year into a partner, and that really has an impact as well. So pooling of those volunteer days, that's a management resource allocation issue, but that is occurring. So that's innovation, a clever way of doing what you need to be doing. But not everyone can do the heavy lifting but the organisation can pool what's available to do it. So - - -

**MR SEIBERT:** And why don't the ones that – you said there's take-up of that. The ones that aren't taking up that option, what's the reasons that they might not be doing it?

**MR BURNS:** They haven't got "Don't call me at home" legislation yet. They're overworked; they feel overworked, and they just can't find the time to do it. And these are usually blue – sorry – white collar workers, and these are knowledge workers usually in an office environment.

**MR SEIBERT:** No, I meant more the companies that aren't pooling. You said that there is some pooling.

**MR BURNS:** Look, it's only - - -

**MR SEIBERT:** The ones who aren't pooling, why aren't they pooling? Yes.

**MR BURNS:** It's a matter – the companies we speak to go, "Oh, that's a great idea", but we don't speak to more companies. So it's a lack of data, and it's a lack of transparency, or a lack of sight. If we say, "Okay. Well, actually, this has been done."

**MR SEIBERT:** "We didn't know we could do that."

**MR BURNS:** "It's been done effectively."

**MR SEIBERT:** So, that's part of the data of making it available, you know, demonstration is a good practice.

**MS ABRAMSON:** If you are able to, it would be really interesting for us if you had some sort of case studies or companies where you think – and we’re happy to take that offline and we’ll have a look at those ones, because the innovation is really interesting.

**MR BURNS:** Yes.

**MS ABRAMSON:** So, thank you.

**MR BURNS:** Lots of good stuff happening. Yes, please do.

**MS ABRAMSON:** Thank you.

**DR ROBSON:** Thanks very much your time.

**MR BURNS:** You’re welcome. Thank you.

**MS ABRAMSON:** Thank you. That was terrific.

**MR BURNS:** Thank you for the opportunity.

**MS ABRAMSON:** Thank you.

**MR BURNS:** Thank you.

**DR ROBSON:** Thank you. So shall we take a quick break and then – yes, okay. All right. So we’ll come back at 12.10. Thank you.

**ADJOURNED**

**[11.45 am]**

**RESUMED**

**[12.08 pm]**

**DR ROBSON:** Welcome.

**MS L. DAVIES:** Thank you.

**MS E. COWDROY:** Thank you.

**DR ROBSON:** We’ll get started. So if you could just state your name and organisation for the record and then if you have a prepared statement, you want to do that and then we’ll get into the questions, so thank you for coming along. Yes.

**MS DAVIES:** Great. Thank you. I’m Lisa Davies. I’m the chief executive of AAP, Australian Associated Press.

**MS COWDROY:** And I’m Emma Cowdroy, the general counsel at AAP.

**MS DAVIES:** Thank you and thank you for the opportunity to appear before this inquiry. AAP is very grateful to have been granted its DGR status via special listing for a period of five years commencing 1 July 2021 to 30 June 2026. AAP is the only independent news wire service in the Australian media ecosystem, providing a unique public benefit by collecting and distributing fact-based news across Australia. An independent news wire is an essential part of Australia's democratic infrastructure and DGR status is critical to our ability to raise the donations that enable us to provide the service to the fragile news media ecosystem in Australia as well as media literacy initiatives, fact checking and other charitable activities.

We support the creation of a new category for – of charitable purpose for public interest journalism, the public benefits of which do not sit easily within the traditional concepts of charity or qualify within the current legal categories in the Tax Act. It is a special category of public benefit that can currently only be properly recognised and supported by specific listing by name. Establishing a public interest journalism category would be highly beneficial for AAP and also for the community as a whole by recognising the significant opportunity and need to grow philanthropic support for public interest journalism in Australia. We believe any media outlet wishing to take advantage of this new category would first need to be a not-for-profit charity to qualify for consideration and then be judged on its core purpose, that is, providing independent public interest journalism.

Whilst our current charitable objects are at the heart of what we do, we feel our core purpose would be better served through charitable recognition of our role in news gathering and the creation of public interest journalism. We are contorting ourselves, if you like, and indeed our purpose by explaining it any other way. Having to fall within the current precisely formulated categories is challenging, especially when the activity itself is the charitable purpose and by doing so, the process undervalues the importance of public interest journalism. It's harder to prosecute the case for donations when you can't explain it in clear terms what exactly it is that we do. The current charitable categories show a lack of awareness about or place a lack of importance on the role played by the news media sector in a well-functioning democracy and the attendant risks to that as a result of the current market disruption and transition.

The creation of a category for not-for – sorry – the creation of a category for public interest journalism would arguably lead to a greater number of not-for-profits contesting the same limited pool of funds. However, this pool is currently limited already with only a finite number of philanthropic organisations in Australia donating to the news media sector. The absence of a specialised category for public interest journalism creates a mechanical barrier for donors, but a specialised category would spotlight public interest journalism within the philanthropic sector and, we believe, increase the funding pool. In addition, we would anticipate donations flowing to a variety of not-for-profit news media organisations including start-ups, increasing media diversity which would in hope – which we – which in turn we would hope leads to increased commercial revenue for us.

As a trusted wholesaler of news, AAP is able to support outlets of all sizes. We would welcome an increase in news media outlets in Australia. A more vibrant ecosystem and diverse sector is beneficial to us all. Thank you.

**DR ROBSON:** Thank you very much. So I'm interested – Krystian's got a few questions, but I'm interested in – you said you – we do have a recommendation in the report on specific listings, so I'm interested in your experience with your specific listing and, you know, why did you need to seek that under the current system and what process did you have to

go through and, you know, was it particularly onerous or what were the special features of it and – because we do have a recommendation in the report, as I said, around that, so we’re interested in hearing about that and then I think Krystian has got some questions around public interest journalism specifically.

**MS DAVIES:** So I probably should say that Emma was the CEO at the time when we got - - -

**DR ROBSON:** Okay.

**MS DAVIES:** - - - our listing, so - - -

**DR ROBSON:** .....

**MS DAVIES:** - - - perhaps you’re better placed to answer.

**MS COWDROY:** And I’m very happy to answer that question. So look, I think it was quite onerous and quite difficult for us. We had to engage – I mean, just even in a practical sense, it cost us a lot of money to try and get it because we had to engage specific tax consultants to help us craft it. It was well outside our core competencies as a media organisation to be able to actually prosecute the case for why we were deserving of a special listing. So I think in terms of – it’s not something that a charity of our size would have been able to achieve without some assistance and that assistance is technical and costly. So I think there’s the – that’s the first sort of barrier to be able to achieve that special list.

**DR ROBSON:** Yes.

**MS COWDROY:** I think – I mean, the reason that we needed it is that we didn’t – so we’d – we’d achieved our ACNC, our charitable status, but we didn’t have DGR as part of that because we didn’t fall within – this is my understanding and this is a layman’s version of it – but we didn’t fall within the specific requirements for the public benevolent institutions that can provide DGR invoices. So therefore our only way to achieve it was, in fact, through a special listing. So that then increased – and we needed it because we at the time were on our knees. I think we didn’t have the government funding that we have now at the time we were asking for this.

We’ve gone from being a 70, 85 year old organisation sort of quickly put into a not-for-profit with no real background in that and then trying to raise money very quickly because we had a significant need to be philanthropically funded on top of contracting revenues. So we needed it and a lot of the foundations said if you don’t have DGR – if you can’t give us a recipient – sorry – a DGR tax invoice, we can’t donate to you. We are not allowed to. A lot of the ..... I think, have said we can’t. So we were sort of then blocking off significant opportunities for philanthropy from the very people that we needed it from the most. So they’re – that’s my sort of procedurally difficult, but highly necessary for us.

**DR ROBSON:** Yes. Okay. And then I think you mentioned it was a – your listing is for a specific period of time.

**MS COWDROY:** Yes, yes.

**MS DAVIES:** Five years.

**DR ROBSON:** Yes. And then is it capped at a dollar amount or anything like that or just the timing?

**MS COWDROY:** No. We did have to anticipate how much – I think you are probably aware of all of this, but we had to anticipate when we put in our application how much we anticipated generating - - -

**DR ROBSON:** Yes.

**MS COWDROY:** - - - from the use of the DGR. So - - -

**DR ROBSON:** Yes.

**MS COWDROY:** - - - but it wasn't capped at a certain dollar amount but - - -

**DR ROBSON:** Yes.

**MS COWDROY:** - - - yes, we had to just say that we believed it would generate X. I think from - - -

**DR ROBSON:** Yes.

**MS COWDROY:** From memory, I think we said we thought it would generate in – you know, in excess of 3 million - - -

**DR ROBSON:** Yes.

**MS COWDROY:** - - - or 2.7 million, something like that.

**DR ROBSON:** Okay. And then so at the end of that period what will you do? Will you – you just have to go again?

**MS DAVIES:** Reapply.

**MS COWDROY:** Well, we will have to start the process - - -

**MS DAVIES:** Yes.

**MS COWDROY:** - - - for applying and, you know, prosecuting our case in Canberra as to why we would be deserving - - -

**DR ROBSON:** Yes.

**MS COWDROY:** - - - of an extension.

**DR ROBSON:** And you said 2026, is it?

**MS COWDROY:** Yes.

**DR ROBSON:** Yes.

**MS DAVIES:** 2026. Yes.

**DR ROBSON:** Yes. And so then when does that – how long does that – given that you know that’s coming, does - - -

**MS DAVIES:** We would probably be looking to start it next year.

**DR ROBSON:** Yes.

**MS COWDROY:** Yes, yes.

**DR ROBSON:** Okay.

**MS COWDROY:** Yes. It’s a long – I mean - - -

**DR ROBSON:** Yes.

**MS COWDROY:** - - - the last process - - -

**MS DAVIES:** Sorry. Yes.

**MS COWDROY:** - - - took at least nine months.

**MS DAVIES:** It’s 30 June – 30 June 2026 - - -

**MS COWDROY:** .....

**MS DAVIES:** - - - so probably have to start midway through next year.

**DR ROBSON:** Yes. Okay. All right. Yes, Krystian.

**MR SEIBERT:** So just by way of just summarising what our DGR reform proposals are, our proposals are to expand access to DGR status based on some type of registration that a charity has under – with the ACNC and we do discuss it in the draft report that – well, we sort of set out the types of organisations that would become eligible under our draft proposals, that they would include public interest journalism as well. Our draft proposals don’t specifically create a new category because they’re actually doing away with separate categories.

**MS DAVIES:** Separate categories. Right. Yes.

**MS COWDROY:** Yes.

**MS DAVIES:** Sorry. Yes.

**MR SEIBERT:** So - - -

**MS DAVIES:** Just – yes.

**MR SEIBERT:** Yes. That’s worth - - -



**MS DAVIES:** Yes.

**MR SEIBERT:** - - - clarifying, but I wanted to sort of ask specifically around, sort of, public interest journalism how we can define public interest journalism and I – because there’s a question when you expand eligibility and, well, for example, to be kind of – yes – direct about it, what – when is something public interest journalism and when is something else? Like, would a person say running a website with – they write stories about national issues, would – is there a pretty broad definition or are there sort of things that could be used to kind of – yes – just put some boundaries around it? Because there’s always that thinking around when you have DGR status or charity status how do you define those boundaries relatively.

**MS COWDROY:** How do you control - - -

**MR SEIBERT:** Yes.

**MS DAVIES:** Yes.

**MS COWDROY:** - - - control it a bit. I mean, you can probably speak to that better than I can.

**MS DAVIES:** Well, we will probably combine the answer. I think definitely for the public benefit I think that there needs to be some element, well, obviously, not trying to generate revenue for a commercial purpose. We – every dollar that we generate goes back into the journalism or the charitable activities that we’re undertaking, so I think public interest journalism, I think, covers a lot of topics per se, but if it’s a providing a – you know, a service to people who or to other – I mean, in our case it’s obviously other organisations for which, you know, it’s for – for all the – all our charitable objectives. You know, educating people, providing social context, providing understanding, promoting tolerance, all those sorts of things. I think to me that’s what public interest journalism.

**MS COWDROY:** I mean, I would say that if you were wanting to put some controls around it as well, it may be that the organisation applying needs to actually engage journalists as journalists.

**MS DAVIES:** Yes.

**MS COWDROY:** So, I mean, that - - -

**MS DAVIES:** .....

**MS COWDROY:** - - - that would probably potentially rule out websites that are just putting content up with no real curation and then trying to – you know, trying to claim DGR status for that. I mean, I think the significant cost associated with the production of public interest journalism is the employment of journalists and photographers and so if there’s some way to capture that within any definition that an organisation that wished to – I don’t know how it works, you know, from your - - -

**MR SEIBERT:** But then you’d have to define what’s a journalist, what’s not a journalist, etcetera.

**MS COWDROY:** Well, I think there’s - - -

**MR SEIBERT:** Yes.

**MS COWDROY:** I think there is quite a bit of precedent on that in various laws throughout Australia that – where that has been contemplated and teased out, for example - - -

**MR SEIBERT:** True.

**MS COWDROY:** - - - the journalist shield laws - - -

**MR SEIBERT:** Yes. True.

**MS COWDROY:** - - - and there – there are places where you could draw upon that, but I think – I mean, I think, certainly, what Lisa said about having the structure as a not-for-profit. So that ensures that the DGR is going to – to the newsroom, not the boardroom and I think that’s something that we’ve been quite clear about for the last, you know, for the last four years is that everything that we do at AAP – any money that – any revenue that we raise, whether it’s philanthropic or whether it’s government grants or whether it’s commercial revenue is actually going to the newsroom because we don’t have shareholders and we don’t pay dividends. So I think how that is crafted from your perspective or from the government’s perspective I don’t know, but I think that’s a good lever and a good limiter.

**MR SEIBERT:** That’s very interesting, I suppose. So you’ve got an organisation or an institution or an institution that’s not-for-profit, registered charity, the employment point. Is there anything around sort of having a code or some sort of independence?

**MS COWDROY:** Yes.

**MR SEIBERT:** Like, I know you’ve got a charter of editorial - - -

**MS DAVIES:** Yes.

**MR SEIBERT:** - - - independence but - - -

**MS COWDROY:** And a code.

**MR SEIBERT:** Yes.

**MS DAVIES:** And a code of conduct. Yes.

**MS COWDROY:** And I don’t think it should be – and we don’t – we’re not a member of the Press Council any more and there are lots of organisations in Australia that are not, but you need to have a code of conduct that – you know, that covers a number of the same issues that are – that other codes of conduct such as that by the MEAA or others covers. So I think that broadly in keeping with industry standards globally about how journalists should practice their craft. So I think that’s a relevant - - -

**MS DAVIES:** Yes.

**MS COWDROY:** - - - indicator and the other thing is to look at what we consider to be public interest journalism, which is – I think most people think it’s just sort of big investigative reports.

The sort of public interest journalism that we do is not – is not that. It is far more covering courts, covering, you know - - -

**MS DAVIES:** Parliamentary hearings.

**MS COWDROY:** - - - councils, Parliamentary hearings, all the stuff that leads to accountability and open government is and even – I mean, we would say sport is also potentially public interest journalism. What probably isn't so much is all the salacious – so it may be that you can carve off categories of content that is not news sort of content in some ways as well, if that makes sense. You may be able to – if it's sort of more entertainment, you may be able to find a line somewhere there between news – legitimate news gathering for – you know, with a public interest journalism lens and content – entertainment content.

**MS ABRAMSON:** In - - -

**DR ROBSON:** Can I ask one and then ..... so on – so you're registered as a charity on the ACNC website. There's – you've got three subtypes for promoting reconciliation - - -

**MS COWDROY:** Yes.

**MS DAVIES:** Yes.

**DR ROBSON:** - - - advancing social public welfare and advancing education. So I guess the question is then given that you've got those – and, you know, these sort of boundary issues that we talked about – well, I guess – yes – for public interest journalists, maybe – is this the point that they may not be able to get registration - - -

**MS COWDROY:** Yes.

**DR ROBSON:** - - - under any of those categories and that's why you need a separate one? Is that what you're - - -

**MS COWDROY:** And you're contorting yourself to get within those categories, so - - -

**DR ROBSON:** Yes.

**MS COWDROY:** - - - whilst those are – all of those endeavours are - - -

**MS DAVIES:** Absolutely .....

**MS COWDROY:** - - - are certainly what we are striving for - - -

**DR ROBSON:** Yes.

**MS COWDROY:** - - - it's almost the reverse way around because - - -

**DR ROBSON:** Yes.

**MS COWDROY:** - - - we're doing those through activities that involve public interest journalism. We're saying it would be easier – it would be better for us to be able to prosecute

our case that we are doing public interest journalism and it's leading – these are the outcomes that flow from that. It's just quite hard to say that our – it's harder for us to say that our – to a donor our charitable objectives are to advance social and public welfare, to advance education and to promote mutual respect and tolerance between Australians and then they say, "But aren't you a – you know," but then what's the news wire?

**MS DAVIES:** Yes.

**MS COWDROY:** What are you doing with this – what's this journalism over here? So it's just a – it's a disconnect and it's a bit difficult for us.

**DR ROBSON:** Okay. Sorry.

**MS ABRAMSON:** No, that's fine. Could I press you a bit more, Emma, on this journalism point and it's not because I have a particular view, I just want to test the argument if I can. So in a modern world where journalism is changing and what journalism looks like and we have the rise of the citizen journalist, how realistic is having something around that definition now? Like, we're thinking about – our report, obviously, is thinking to the future, so just interested in your response to that.

**MS DAVIES:** I am a journalist, so I can - - -

**MS ABRAMSON:** I'm a lawyer so I immediately - - -

**MS DAVIES:** Okay.

**MS ABRAMSON:** - - - asked the lawyer.

**DR ROBSON:** .....

**MS DAVIES:** Well, I'll answer that if that's okay.

**MS ABRAMSON:** Thank you. Of course.

**MS DAVIES:** I – I think with all the sort of suggestions around definition that Emma said, I agree entirely that those would help – those would really help protect against what you're talking about. I think a citizen journalist who establishes a website who runs around – I don't know – writing opinion or, you know, grabbing a few other things off the internet and putting them on a website, I don't think you could really without a code of conduct, some kind of, you know, sort of acknowledgements from any of the journalistic sort of bodies, you can't really argue that those – that endeavour could fall into this sort of category, I don't think. I just – I think what we're really talking about is – and the core thing when you have to have already succeeded in getting a charitable – being a charity – being, you know, granted that by the ACNC.

So I think if you're already along that path, then – and, you know, that's been acknowledged, then to go to the next step of being able to – yes – to sort of move into, like, this is how, you know, those DGRs can be issued, I don't see a huge – you're not going to be able to establish a Twitter presence, for example, as a not-for-profit news organisation that is engaging in public interest journalism. I just don't see how anyone could define it that way.

**MS ABRAMSON:** Thank you.

**MR SEIBERT:** I suppose just stepping back a little bit again, what do you see is the role of philanthropy in the context of supporting public interest journalism sort of in terms of the bigger picture both in terms of your own experience as an organisation but more broadly as well?

**MS DAVIES:** So I think we've found a hugely supportive, small but dedicated group of philanthropists who believe that certain types of content are just not being well ventilated. I think we have shown that, I think, through the fact that we just do the news, we don't do any opinion writing, we cover stories factually and fairly that, you know, organisations, whilst they don't have any interest in influencing the content, they just want to see more of it out there in the public space to help with education, to help with societal understanding of problems and challenges facing us. So, I mean, for us, we see a huge opportunity. I mean, we currently have – the way the majority of our philanthropic donations are structured are through the establishment of specialist reporting areas. So, for example, things that aren't widely – aren't widely published or explored in the mainstream media currently, things like refugee issues, we have – well, Indigenous affairs, obviously, was a big – a particularly huge issue last year, but again, the number of news media outlets that have dedicated reporters day in, day out concentrating on Indigenous issues are actually very small in the mainstream media, I would argue.

So being able to provide, you know, in excess of 250, 300 stories a year focused solely on factually exploring – you know, that's what our donors to that desk wanted to see – want to see year in, year out. So for us, we see the – the huge potential to grow that. We currently have seven specialist desks established and, you know, I've got conversations happening about multiple others but, you know, again, it's just a different conversation with different donors as to what – how they'd like that structured and the various things that they would like to see as part of that. But, again, you know, it's about adding to the public discourse factual, independent non-partisan journalism on topics that aren't always very well covered in other media outlets.

**MR SEIBERT:** And just on that, do you have sort of philanthropic supporters that provide just general operating support - - -

**MS DAVIES:** Yes, yes.

**MR SEIBERT:** - - - or is it quite specific, sort of - - -

**MS DAVIES:** Yes.

**MR SEIBERT:** - - - for the different desks?

**MS COWDROY:** It was critical for the - - -

**MS DAVIES:** Yes.

**MS COWDROY:** - - - the saving of AAP that we could get what I would consider to be just donations to support the core business.

**MS DAVIES:** Yes.

**MS COWDROY:** And so the – a signification component of the – I’m not sure if you’re aware of the AAPs recent trajectory, but basically, it almost faced closure. It was saved by a group of philanthropists and those were untied. You know, they were just general donations to the core service. In answer to your questions as well, the other thing I’d just add to what Lisa said about our desk – desk activity and – is that when you look at the contraction of revenues for news media globally, one of the things that has started to come in as an alternate source of income has been donations. 23 years ago there was none of that. It just didn’t – it was not something that was really at all part of the business model for news media organisations. In the last few years particularly and if you look at the Oxford Reuters report on public interest journalism and on news wires particularly, you can see that that’s gone from not being – if you look at it over the last few years, you can see it’s been not a source of income to all of a sudden moving up and up and up. So it’s gone from the 12<sup>th</sup> source of income to the eighth source of income to the – it’s – the trajectory is increased reliance on philanthropy.

**MR SEIBERT:** And do you think that there’s any issues here in terms of – cause there are for-profit players, not-for-profit players of kind of potential say having hybrid entities that are sort of, you know, a for-profit player that has a not-for-profit arm and this is something that when you’re designing tax law - - -

**MS COWDROY:** Yes, yes, yes.

**MR SEIBERT:** - - - you always think about - - -

**MS COWDROY:** Yes.

**MR SEIBERT:** - - - you know, could a for-profit entity that provides private benefit have things off to the not-for-profit entity - - -

**MS COWDROY:** Yes, yes.

**MR SEIBERT:** - - - and the risks of – like, you know, there’s always a concern around integrity when you’re designing tax laws.

**MS COWDROY:** Sure. And I can see the difficulties associated with trying to grapple with that. I mean, I guess – and I’m sure there are far smarter tax people than me that can work out how to deal with it, but I would suggest that probably one way is to just say that to the extent that you are – basically, you need to be wholly structured as a not-for-profit and - - -

**MR SEIBERT:** A separate entity.

**MS COWDROY:** - - - not – and that’s just the – and that’s kind of the - - -

**MS DAVIES:** The line in the sand.

**MS COWDROY:** - - - the endpoint.

**MS DAVIES:** Yes.

**MS COWDROY:** The line in the sand, I think.

**MS DAVIES:** And to your point about the general donations versus the sort of ones that we direct specifically to areas, we do try to include in those sort of pricing, I suppose, a contribution to the core of the business because, of course, it's not just one journalist doing one thing that - - -

**MR SEIBERT:** Sure.

**MS DAVIES:** - - - they're paying for. There's a suite of, you know, shared costs and editors and the like that .....

**MR SEIBERT:** And how do your donors respond to those sorts of - - -

**MS DAVIES:** Yes. Really - - -

**MR SEIBERT:** Because a common challenge for many charities - - -

**MS DAVIES:** Yes.

**MR SEIBERT:** - - - and not-for-profits.

**MS DAVIES:** Looked pretty positively so far. I mean, you know, we set a budget for the year and often I will require – like, one of our desks has I think currently about eight different donors to it, just smaller people who are just particularly passionate about a certain area. Others are a single foundation and I think everyone recognises that – well, it's my experience that they all recognise that we do have a large operation to run and it's not just about those specialist reporters as well and that those reporters need editors, producers, photographers, etcetera.

**DR ROBSON:** So how – and I'll pass to Julie in a second, but what was the business model prior to this? Was it that the – you know, the for-profits would – you know, you would be ..... and their revenues have dried up and so this is one of the things they just decided to cut back on or what - - -

**MS COWDROY:** No.

**DR ROBSON:** - - - what happened?

**MS COWDROY:** So it was owned by a number of shareholders, but the two biggest shareholders were News Corporation and then Nine, Fairfax.

**DR ROBSON:** Yes.

**MS COWDROY:** And – and basically, it was a membership structure. So it was – it didn't make a profit, but that was not by design. It just has gone the way of many news wires globally with contracting revenues and so basically, a design was made to close it.

**MS DAVIES:** They paid very large membership fees - - -

**DR ROBSON:** Right.

**MS DAVIES:** - - - in order to keep .....

**MS COWDROY:** Essentially, a - - -

**DR ROBSON:** Yes.

**MS COWDROY:** - - - yes – a membership structure and then there was just – it had commercial revenue that offset that. It also had a number of businesses - - -

**MS DAVIES:** .....

**MS COWDROY:** - - - around it, adjacent businesses that helped to offset the cost of the news wire. I don't think there's a news wire in the world that breaks even and I would be - - -

**MS DAVIES:** Let alone make - - -

**MS COWDROY:** I would eat my hat if there was. If their P and L was – was, you know, taken out of – if the P and L of a news wire, which is what we are, the wholesale supply of news was taken out from all the other businesses as a standalone, there is no way it would break even.

**DR ROBSON:** And – yes. And so now the situation is – but those organisations you mentioned still use the wire service, do they?

**MS COWDROY:** News Corp does not.

**DR ROBSON:** Okay.

**MS COWDROY:** News Corporation does not - - -

**DR ROBSON:** All right.

**MS COWDROY:** - - - and so therefore – they use some of our pictures, but they don't take our service.

**DR ROBSON:** Yes.

**MS COWDROY:** Nine has come back as an arm's length subscriber but no longer a shareholder.

**DR ROBSON:** Yes.

**MS COWDROY:** So basically, the news wire was sold. It was sold – that component was as an asset sale sold into a not-for-profit entity that was setup to basically purchase it to fulfil its charitable objectives.

**DR ROBSON:** And then so – but – and the entities that do use it now, do they pay a fee or - - -

**MS DAVIES:** Yes.

**DR ROBSON:** Okay.



**MS DAVIES:** You can't – I mean, the market value with news wires is you can't charge lots of money for a very high standard service because everyone has access to it. It's a – you know, divisible by – I mean, we currently have over 400 subscribers nationally. I would say that other than News Corp, there are very, very few news organisations that don't engage with us on some level. You know, have – we have customers like Australian Community Media who have 90 titles - - -

**DR ROBSON:** Yes.

**MS DAVIES:** - - - around the country and others from there, you know, from the Daily Mail to – you know, we serve an extremely wide range of media outlets with that core public interest journalism. I think, you know, it's – AAP has often been referred to as sort of the backbone, if you like, of the news media landscape.

**DR ROBSON:** So then to the extent that you've got DGR and that lowers your costs, knowing that you're a not-for-profit but then, that would also presumably lower the fee that a for-profit entity would have to pay for your service. So there's a – what I'm getting to is - - -

**MS COWDROY:** Yes.

**DR ROBSON:** - - - sort of along Krystian's point but somewhat different is that, you know, even – there's a for-profit entity that indirectly benefits from your DGR status in a way, but there's lots of not – and not-for-profits - - -

**MS COWDROY:** Correct. Yes.

**DR ROBSON:** - - - as well and all the other benefits, but there is that.

**MS COWDROY:** Yes. I don't think they do because I'm – sorry. And I – the only thing I would say against that is there's just a natural – there's been a natural contraction of the news wire market globally. So it's not as if we're charging less because we've got DGR. The fact of the matter is we just exist because we have DGR. If we didn't - - -

**DR ROBSON:** Yes.

**MS COWDROY:** - - - have DGR, the chances of us being here and then the – sort of the on effects of that would be very low.

**DR ROBSON:** Understood.

**MS COWDROY:** Like, I don't – we are not – we – there is just a ceiling point now in the market and it keeps – unfortunately, it's gone in one direction over – and you can see that trajectory very clearly over the last two decades. So it – yes. It's not as if customers will pay more. They won't.

**DR ROBSON:** Yes.

**MS COWDROY:** If anything, their business models are under enormous pressure, so they just want to pay less - - -

**DR ROBSON:** Yes. Okay.

**MS DAVIES:** Constantly.

**MS COWDROY:** - - - and we're having to find ways to - - -

**MS DAVIES:** Fill the gap.

**MS COWDROY:** - - - to fill the gap. And the problem for news wires is that the cost of doing – of creating a service that is sellable or that is desirable is almost fixed because you can't say, "Look, I think we're just going to cover New South Wales now."

**DR ROBSON:** Yes, yes.

**MS COWDROY:** "We're just not going to bother about the rest of Australia," or, "We're only going to cover, you know, one in every three sports games," or, "We're only going to go to, you know, one day of the court hearing." It doesn't work like that. Like, it just – if there's - - -

**MS DAVIES:** We have to - - -

**MS COWDROY:** Yes.

**MS DAVIES:** We really have to be - - -

**DR ROBSON:** Understood.

**MS COWDROY:** Yes.

**MS DAVIES:** - - - 24 hours a day. We have a 24-hour newsroom. It's staffed by - - -

**MS COWDROY:** Yes.

**MS DAVIES:** - - - people overseas. We could have a lot of money by not having those people - - -

**MS COWDROY:** Yes. So we have kind of - - -

**MS DAVIES:** - - - like - - -

**MS COWDROY:** - - - fixed costs that we really can't actually go below - - -

**DR ROBSON:** Makes sense.

**MS COWDROY:** - - - to have a sustainable news wire, but our revenues have fallen - - -

**DR ROBSON:** Yes.

**MS COWDROY:** - - - and so somewhere to be able to – and we say that we actually provided a – you know, a – I think if you took us out of the market, I think it would have significant disruptive effects across a number of players.

**DR ROBSON:** Julie.

**MS DAVIES:** They're relying on or relying on us to do the things that they either don't want to do, can't get to or have just a need to keep an eye on, so they just monitor our coverage of something and jump in when they want. So there's - - -

**DR ROBSON:** Yes.

**MS DAVIES:** You know, we fill a variety of roles for – depending on who the customer is and we – I often say we have to be all things to all people. That's really challenging and very expensive.

**DR ROBSON:** Understood. Julie?

**MS ABRAMSON:** Thanks. I wanted to circle back a bit because we were really talking about if you have this DGR category of public interest journalism, if you have a specific listing, which you do, you can impose conditions around it and one of the things we talked about was, you know, what is a journalist. The other thing I noted about your organisation is that you do have review mechanisms and complaint mechanisms. So do you think that having, like, an editorial charter and a dispute resolution mechanism would be an important - - -

**MS COWDROY:** Yes.

**MS DAVIES:** Absolutely.

**MS ABRAMSON:** - - - part of it?

**MS DAVIES:** And Emma mentioned before that AAP no longer belongs to the Press Council. A number of media outlets don't belong to the Press Council any more. That's mainly – well, it's probably for a variety of reasons, value for money and – among other things, I think. So we have established our own standards committee, which is at arm's length from the news room. It – it is made up of a former AAP editor with a lot of experience in editorial matters, but also, you know, members of - - -

**MS COWDROY:** Non-editorial members - - -

**MS DAVIES:** Non-editorial - - -

**MS COWDROY:** - - - of the organisation.

**MS DAVIES:** - - - members of the organisation who assess complaints on a detailed and sort of arm's length approach and it is in line with the kind of review mechanism that the Press Council has anyway and, yes, I definitely think it would be a – a huge advantage to have – to have that and – yes.

**MS ABRAMSON:** Can I ask – I have a background in dispute resolution, so this will be no surprise, but do you think that there should be an independent member, so as opposed to – you know, because most dispute resolution mechanisms like ombudsman – all of those things have a member who's independent.

**MS DAVIES:** We would – I mean, we would argue that the editorial – the chair of it is independent in the sense that he is no longer employed as a staff member. He left the organisation four years ago, but I take your point. We’ve talked about ways of even bolstering that process. It’s – we – just trying to save an organisation has meant that it probably hasn’t been our focus, but I definitely wouldn’t be – wouldn’t be opposed to it at all.

**MS COWDROY:** I think the – one of the difficulties with that for a news media organisation, which is not the case for the Press Council because they make complainants sign a waiver and in – and a full waiver and you agree that you won’t sue for defamation and related matters. The problem is, of course, as soon as you bring on somebody on, you know, independent you’ve got lots of privilege issues going on, especially if they’re looking at your file and looking at, you know, what you’ve done and admission and all – yes. There’s just some complexity around having a third – a sort of an independent third party on there.

**MS ABRAMSON:** It’s interesting. I hadn’t thought of it like that because I – my own background’s in financial services, so the concept of an independent member of a dispute resolution is not something where you – you know, they would see all of the material that goes up to enable them to make a decision - - -

**MS COWDROY:** I mean I’m – yes.

**MS ABRAMSON:** - - - but you’re saying. - - -

**MS COWDROY:** There’s probably a way you could achieve it through making them – I don’t know.

**MS ABRAMSON:** There always is a legal way.

**MS COWDROY:** Yes. There’s always some way.

**MS ABRAMSON:** But it - - -

**MS COWDROY:** I know. I’m just - - -

**MS ABRAMSON:** It’s interesting.

**MS COWDROY:** I think for a – yes.

**MS ABRAMSON:** It’s just an interesting point and, as I said, I’m just interested in your views because I instantly when you spoke, Lisa, about, you know, we have this, this and this and in my head I’m thinking but who’s the independent because, you know - - -

**MS DAVIES:** Yes, yes.

**MS ABRAMSON:** - - - if you want dispute resolution, someone from the outside is always saying how independent is someone - - -

**MS DAVIES:** Yes.

**MS ABRAMSON:** - - - even though I understand that the person uses their professional judgment.

**MS DAVIES:** And we try to - - -

**MS ABRAMSON:** Yes, yes.

**MS DAVIES:** - - - incorporate, for example, one of our finance team who – you know, she’s effectively the sort of layperson because she’s never been a journalist. She’s got no idea about journalism practices or ethics or, you know, codes of conduct per se. Like, that’s not her professional role, so she kind of comes at it from a very citizen - - -

**MS COWDROY:** Yes. Consumer.

**MS DAVIES:** - - - consumer perspective.

**MS DAVIES:** Yes.

**MS DAVIES:** So - - -

**MS COWDROY:** Or reader perspective.

**MS DAVIES:** - - - that adds to the conversation.

**MS ABRAMSON:** But as a matter of principle, you’re not objecting to - - -

**MS DAVIES:** No. Absolutely not.

**MS ABRAMSON:** - - - what we’re talking about. Okay.

**MS DAVIES:** No.

**MS ABRAMSON:** Thank you very much.

**DR ROBSON:** Krystian, do you .....

**MR SEIBERT:** Just in terms of – just following on from the question earlier about the sort of – those boundary questions, just wanted to test a few sort of propositions with you about what the – what could be potential boundaries for public interest journalism under an expanded DGR system. The need to have a separate entity that’s registered as a charity and that’s not subject to the control of another entity - - -

**MS DAVIES:** Yes.

**MR SEIBERT:** - - - such as a for-profit - - -

**MS DAVIES:** Yes, yes.

**MR SEIBERT:** - - - firstly. Secondly, employing journalists as defined say under the Broadcasting Act or the shield walls - - -

**MS DAVIES:** Yes.

**MS COWDROY:** Yes.

**MR SEIBERT:** - - - for example.

**MS DAVIES:** Yes.

**MS COWDROY:** Yes.

**MR SEIBERT:** And then thirdly, signed up to a charter of editorial independence with some sort of requirement to comply with it and manage disputes in relation to - - -

**MS DAVIES:** Yes.

**MS COWDROY:** Yes.

**MS DAVIES:** The code of conduct.

**MR SEIBERT:** - - - the reporting of coverage.

**MS DAVIES:** Yes, yes.

**MS COWDROY:** Yes, yes.

**MR SEIBERT:** So do you think that those – would that form sort of the skeleton, I suppose to speak - - -

**MS COWDROY:** Yes.

**MS DAVIES:** Absolutely.

**MR SEIBERT:** - - - or the scaffolding of some boundaries?

**MS DAVIES:** Absolutely.

**MS COWDROY:** Yes. And I think those are quite .....

**MS DAVIES:** ..... yes, yes.

**MS COWDROY:** Layers, essentially ..... you know. Once you've got to get to here, then you've got to get to then, then you've got to get there and I think – yes.

**MR SEIBERT:** And just following on from that, do you think that there should be any kind of requirement around the provision of the reporting is available to the wider community? Because there could be challenges in terms of say what's provided as a fee just going on from what Alex said to another – to a partner – a commercial partner versus what's just available for anyone in – that's reported. I mean, curious whether they're sort of relevant or not.

**MS DAVIES:** They sort of are because we're effectively a B to B business, so - - -

**MR SEIBERT:** Yes.

**MS DAVIES:** - - - we're available to lots of people, but we do require most of them to pay for it. I mean they're – yes. I mean, we provide – so our AAP fact check is available freely on our website, so it could be argued that of the total percentage of output X percentage is freely available as a charity and we do make – so we – as part of our charitable – fulfilling our charitable objectives, we are engaging with a lot of community organisations to give them free access in order to help - - -

**MR SEIBERT:** Yes. And you have to comply with the - - -

**MS DAVIES:** - - - promote our activities.

**MR SEIBERT:** - - - public benefit requirements - - -

**MS DAVIES:** Correct.

**MR SEIBERT:** - - - of charity work.

**MS DAVIES:** Yes, yes.

**MS COWDROY:** Yes.

**MS DAVIES:** Yes

**MR SEIBERT:** Anyway, just on those boundaries a little bit further, do you think that they're – with say signed up to a charter of editorial independence, whether it should be sort of an entity by entity decisions as to what their charter is and how they enforce it or – I mean, it doesn't have to be the Press Council, but some sort of common standard – self-regulatory standard that has enforcement? Because I suppose an organisation saying we've got a charter of editorial independence and this is how it works and - - -

**MS COWDROY:** Yes.

**MR SEIBERT:** Yes. Because I'm just thinking ahead sort of from the prospective of government, again, sort of like what the rigour would be around that. Yes.

**MS DAVIES:** I mean there could be easily reporting mechanisms as part of our ACNC requirements on how we – enforcing that. I mean, we have a editorial structure that the editor reports to me. You know, he is solely tasked with enforcing that and when there's an issue, again, it's elevated to me or Emma in the legal sort of case, I suppose.

**MS COWDROY:** I think every organisation has slightly nuanced ways of approaching their editorial integrity and I think it would be pretty hard to get everyone on a unity platform to agree to a charter that is – I guess that's been imposed from another, you know, from a regulatory body say - - -

**MR SEIBERT:** Well, it wouldn't necessarily need to be a government body. There could be a - - -

**MS COWDROY:** Yes.

**MR SEIBERT:** Yes.

**MS COWDROY:** I mean, look, I think if you actually looked at them – yes. If you looked at a whole range of charters of editorial independence, there are common themes and threads. I just feel that if you're going to sign up – I guess I'm just saying, you know, just not sure about that - - -

**MR SEIBERT:** Sure.

**MS COWDROY:** - - - as a concept, but I would think that it had to have some level of rigour about it.

**MR SEIBERT:** Yes.

**MS COWDROY:** So maybe that's – it maybe needs to address X, Y and Z and maybe that's the way that it's - - -

**MS ABRAMSON:** Which would be the common way that you get uniformity over those things. You say - - -

**MS COWDROY:** Yes.

**MS ABRAMSON:** - - - we don't care how you implement it, but you'll have A, B, C and D - - -

**MS COWDROY:** Yes.

**MS ABRAMSON:** - - - and then the other issue is what we talked about, whether there'd be sort of some self – a bit like a – you know, the codes that people sign up for, but you can have voluntary codes.

**MS COWDROY:** Yes.

**MS ABRAMSON:** So it's kind of like we will do A, B, C and D.

**MR SEIBERT:** And I think we or you'd be mindful too about, yes, the diversity and also compliance costs, etc. But at the same time, I think this also goes to the point that say there is an entity with DGR status. It's reporting A, B, C and D and some people are unhappy about that, others are happy and so - - -

**MS COWDROY:** Yes.

**MR SEIBERT:** - - - well, there is – there are protections here in terms of standards, etcetera. There is – so – because otherwise, then there's always the risk about the sort of the perceptions of the integrity of the DGR system and what can be supported through it.



**MS DAVIES:** And I also think in some ways it would – perhaps this is me, but I think a lot of philanthropic organisations that are going to be – and interested to donate to a – an organisation that is, you know, charged with and has its – you know, public interest journalism at its core, they’re going to be pretty cautious about who they’re donating to anyway and so I think there wouldn’t be a longevity in organisations that are not doing those things as set out. I just think that, you know, most foundations that I have dealt with are pretty savvy and there’s an awful lot that, you know, they require into – for their reporting and for our reporting that would help with that enforcement issue, I say.

**MS COWDROY:** I do – and I just would echo what I said earlier is I do think some of these issues have been grappled with in the context of exemptions in the Privacy Act - - -

**MR SEIBERT:** Yes, yes.

**MS COWDROY:** - - - for – you know, for news gathering, also the journalist shield laws where a lot of time – I mean, I was involved in those laws – a lot of time was spent trying to work out how do you ensure that – that it’s targeting, you know, what it’s supposed to be targeting, that Act. So I think there are some – there is already drafting there that is able to be looked at least as a starting point.

**MS ABRAMSON:** Thank you.

**MR SEIBERT:** Great. Thank you.

**DR ROBSON:** Thanks very much.

**MS DAVIES:** Thank you so much.

**MR SEIBERT:** Thank you. That was .....

**DR ROBSON:** .....

**MS ABRAMSON:** That was really helpful. Thank you.

**MR SEIBERT:** Really, really good. Thank you. Thanks so much.

**MS DAVIES:** Pleasure.

**MS COWDROY:** Pleasure. Thank you for having us.

**MS DAVIES:** Thanks.

**MR SEIBERT:** It’s good that we get to ask the questions and ..... other way around.

**MS DAVIES:** It’s definitely slightly strange - - -

**MR SEIBERT:** Payback.

**MS DAVIES:** - - - being on the other side.

**MR SEIBERT:** All right. Lunch.

**DR ROBSON:** Yes. We'll take a break for lunch. 12.30 we'll come back. Sorry, 1.30.

UNIDENTIFIED FEMALE: Yes.

**DR ROBSON:** Yes, yes.

**ADJOURNED**

**[12.47 pm]**

**RESUMED**

**[1.30 pm]**

**DR ROBSON:** Okay. So, thank you very much for coming. So if you could just state your name and organisation for the record and then if you would like to make an opening statement, we're happy to hear from you on that and then we will get into the questions - - -

**MS K. LARK:** Sure.

**DR ROBSON:** - - - I think .....

**MS LARK:** Very good. Kristen Lark, the CEO of The Funding Network Australia. First of all, thanks for allowing me to appear today. I think the main thing that we really wanted to emphasise today and provide comment on is the open invitation for intermediaries to comment on the role that could be played in enabling smaller charities to access philanthropy. I guess that was kind of the bulk of what I want to talk about today. Put in an original submission and then put in additional comments on Friday, but I think, generally speaking, obviously thrilled to see this commission in place and see the work that's already been done. Again, we really believe that making it easier to give is essential to deepening the culture of giving in Australia and a policy environment that fosters giving combined with the cultural environment that inspires giving, we believe, are kind of a two-pronged approach that's going to be necessary to grow giving.

I mean, towards that end, I guess we would love to see the commission take bolder steps in looking at ways that we can nurture giving in Australia and look at ways that some of that support could actually be directed to smaller charities who for hosts of many reason would not be ones that would be giving a lot of testimony to the commission and that really lack access to philanthropy. So I guess for us specifically we'd love to see more attention being paid to strengthening the charity sector. With over 10 per cent of the workforce in Australia dedicated to the non-profit space, we know that's an area that people could really benefit from, both the capacity and capabilities as well as the overall health and wellbeing of people working in the sector. As I mentioned before, fostering a more generous and giving culture and some of the ways to do that is by making it more visible giving, providing choice at key points to encourage people to give and enabling a broader number of charitable organisations to thrive, not just the largest, most visible charities and utilising the proven strategies of intermediaries to find ways for both everyday Australians, philanthropists and government to direct more funds to early stage grassroots charities. I guess I'll perhaps leave that as the opening - - -

**DR ROBSON:** Okay.

**MS LARK:** - - - salvo, so that we can - - -

**DR ROBSON:** Okay.

**MS LARK:** - - - have more time for discussion.

**DR ROBSON:** Okay. Thank you very much. So what's – there's a lot to unpack there.

**MS LARK:** Yes.

**DR ROBSON:** I mean, in your space we've got these proposals around expanding DGR. We've got a set of principles and application of those principles. Does The Funding Network have specific views on that set of proposals from the commission?

**MS LARK:** Yes. I mean, I think specifically on DGR, I think expanding access to DGR would be very key for a lot of charities. I know that probably the focus of today and tomorrow is going to be heavily on the ones that would be potentially removed from that consideration, but I think the broader step of making that more open and more visible is a positive step forward and we would be supportive of anything that gives access to more charities to grassroots – more charities to DGR

status I think is really – is important and I think is a area that I think we'd like to see more of. We would generally be happy for – to see all charities have access to DGR status. I mean, I – you probably gather I'm American and come from the US where the culture of giving there is a little bit further along here and I think some of that can be attributed to the fact that they don't differentiate between different types of organisations, but again, as you've noted in the – in the draft report, expanding the DGR categories will open a lot of organisations, specifically grassroots charities, and we think that's a good thing.

**DR ROBSON:** And in terms of your business model, so how does it work and then – and are there other organisations that do what - - -

**MS LARK:** Yes.

**DR ROBSON:** - - - you do and, yes, do you want to maybe tell us a bit about that?

**MS LARK:** Sure, sure. So The Funding Network's probably most known for our live crowdfunding events, so we do an open call for applications grassroots charities. Then we convene an independent selection panel to pick ones that will pitch at the event. Then we build an audience of – can be everyone from everyday Australians to philanthropists to corporates to come into a room and we prepare those charities to pitch, so we help them – as you probably know, most grassroots charities don't have a fundraising team. They probably don't even have a paid staff and we kind of support them, enable to be able to pitch. Then we convene an event where they share their story and then we leave the audience in live crowdfunding with the aim of them raising as much money from the crowd as fast as we can in that component. And then following the event, we provide – we do – then we collect those funds and then we re-grant them to those charities and then they provide six and 12 month update reports so that we can really engage those donors on a ongoing basis.

So over the past 10 years we've run over 173 events across Australia and engaged more than 23,000 Australians in the act of giving and our research shows that after being exposed to grassroots charities they go on – first time donors continue to give and those who already were

giving, they're more – far more likely to continue to give to grassroots charities. I mean, again, the place that we're really filling is the fact that there is a lot of people that would like to give to grassroots charities but they don't know how to find them and they don't know how to find the right ones and on the flipside, there's a lot of grassroots charities that would like to access new networks and that's really what kind of TFN is about is about bringing that together. So that kind of general collective giving space. You've got TFN playing in it. You've got 10 x 10. You've got Impact 100. You've got giving circles and I think that whole kind of collective giving movement is a really great way to engage people in giving and then also kind of create kind of community connection and cohesiveness.

**DR ROBSON:** And so do you – is it a sort of place-based, location-based service that you offer or is it - - -

**MS LARK:** Yes. That's right. So I guess I would say with COVID we obviously went online and started – and were able to reach even more people, but we run events in major cities, but we also do them in smaller towns often in partnership with community foundations where it makes sense. So we've run about 15 in regional Victoria as well as New South Wales. We've got an event Wagga coming up in March and we've got one in Sydney and Melbourne coming up in March as well. So we would run anywhere from 10 to 15 of our events that way and then we also will help – I guess, participatory grant making is another place that I think has some potential. We've done a number of events with the primary health networks. So, in fact, in April we're doing two events with the Hunter New England and Central Coast where they're allocating funds that they have from the government to get it into youth-based suicide prevention programs and what we're doing is helping them engage the community and being part of that. So each community member who comes will have a certain amount of money that they can allocate. So, again, I think that's connecting people to the community, seeing the impact of the work ..... done, hearing about the issues that really are facing their community.

**DR ROBSON:** And then in terms of the motives that you see because you're, you know, observing giving in real-time almost, do you sort of notice anything about motivations for giving and also the extent to which when people give they're sort of interested in a particular impact or effectiveness or is it tied or untied or what do you see around those kinds of issues?

**MS LARK:** Yes. I think, you know, the thing that we believe makes kind of the – a group of people in the room together motivated to give, I think, is that kind of social contagion that happens is seeing other people do it and I think that public aspect is really, really important. I think for a lot of – we heavily emphasise the importance of storytelling, so being able to really be really specific about the – the end – the people that you're going to impact and what those funds will do and so we really do guide them on being really clear with their project with an impact and really kind of create that moment, so – and part of what that – our model does is then we make sure that they get a six month and a 12 month impact report, so that they know exactly how their funds are going to be used and that they also have the opportunity to connect with them. So we also encourage volunteer opportunities, skilled volunteering and other ways that they can connect after. So I think look, the motivation is often a combination of, one, give the opportunity in the room, hearing a story. I think that when they hear the stories they're emotionally connected to them and then the end thing is they can see the \$100, \$200, \$300 that they're going to give can go even further.

**DR ROBSON:** And what about Indigenous causes and – you know, do you have a particular focus on that or is – are you seeing or more or less of that in what you do?

**MS LARK:** Look, we have identified four issue areas to focus on for the next several years to try to kind of galvanise support in key areas and so one of those really important focus areas is First Nations.

**DR ROBSON:** Yes.

**MS LARK:** And we are in conversations with a number of our alumni, so like First Australians Capital, Ganbina, Ngarrimili that work in that space to kind of say what aspects of the TFN model could be useful in a First Nations space specifically to help build the practice of philanthropy, access and community and that and the same time how can we get more of our donor base directed and specifically funding First Nations business. So, we will definitely have two events this year that will be specifically for First Nations enterprises, but every one of our events are open to First Nations businesses and it's my aim that everyone features a First Nations - - -

**DR ROBSON:** Right.

**MS LARK:** - - - business. So, again, I think that's really important. I guess our model is such and what we've done with regional communities – and I think this, perhaps, plays well into the community – into the community foundation spaces – we do have a model where we share – where we share our model with regional communities so that they – because, again, they know their local community best. They know the people that – the best charities in that area. They also know the people that can potentially fund them so we are very much about sharing our model where it makes sense so that they can use it, so we've done that with a number of charity – with community foundations, but also looking at ways we might be able to do that in a First Nations space, again, is – can our model be used.

In the UK the – TFNs from the UK and they actually have supported the spinoff of a Black Funding Network and an Environmental Funding Network and we think that there is potential to do that – something similar here.

**DR ROBSON:** Okay. And do you have any views on our – we've got a recommendation around the setting up of a – you know, an Indigenous foundation which would be capitalised initially by government and then supported by philanthropy and led by and designed by Indigenous Australians. Do you have any views on that recommendation?

**MS LARK:** Yes. I think – in concept, I think it's a needed step. I think it's really important. I think you would probably find for some of the responses that you've received is very much how will that work and how do you make sure the decision is getting into the community. And so whether or not the mechanism of one overarching or if there is a way that you can get that in the community, I think that's the – the key, that kind of consultation process, which I'm sure would be important, but I do think having funds completely dedicated to that is – makes a lot of sense and I think for us, you know, we see – we see everyday Australians, we see corporate coming to the table and doing the match and I guess for us match funding is some – is a mechanism that we use frequently at our events to encourage other people to give and I think that that's a role that government could play where they're incentivising people that are already giving by showing that their investment can go even further with other support and I think the First Nations space and even broadly in grassroots giving is some place that could benefit.

**DR ROBSON:** Thank you. Krystian, do you - - -

**MR SEIBERT:** Yes. Just going back to the DGR system, and I saw that sort of your structure is you're a public benevolent institution.

**MS LARK:** Yes.

**MR SEIBERT:** And – and then that – and that has flow-on effects in terms of the organisations that can apply to participate in your events. So was that a deliberate choice as in, we want to focus on relief of poverty and disadvantage? Was it driven by wanting to focus on that or was it driven by sort of the constraints that exist in the current DGR system? Because I understand at the moment if say an organisation that's working to, you know, in the environment wouldn't be eligible - - -

**MS LARK:** That's correct.

**MR SEIBERT:** - - - to participate in your events, whereas – I just looked up The Funding Network in the UK. They have environment organisations - - -

**MS LARK:** Yes.

**MR SEIBERT:** - - - that can participate there. So, yes, what drove the choice of structure and was it linked to the DGR system as it stands?

**MS LARK:** Yes, I'm sure – I'm quite sure it would have been linked heavily to the DGR system. That said, I do think we can have the greatest impact by focusing on organisations that are delivering relief to people experiencing disadvantage. So, we're very passionate about that. I guess, we're very much about the capacity building of the grassroots charities and making sure they have access to the tools and resources that they need to thrive. So look, I do think that the DGR constraints are an ongoing issue that we hear about from a lot of the charities that might pitch and a lot of the ones that we have to say no to. Again, you know, we would push environmental programs, any First Nations programs that might have an environmental impact to make sure that they're talking about the human component of that and, again, I think we're going to continue to see more and more of that be relevant but – yes. I mean, I think it is, you know, us having the PBI designation has been important for us and allowed us to support more charities, but I do think it – you know, there are certainly limitations that it brings.

**MR SEIBERT:** And those organisations that approach you with interest and you have to turn them away because of the DGR system, like, could you – what type of organisations are they and what sort of – yes. Would you expand upon some of that – that sort of – those sorts of things.

**MS LARK:** Yes. I mean, I would say – look, we would say that ..... TFN ..... on the project that they're pitching and that the project that they're pitching has to have a clear PBI benefit. And so I guess our feedback to them is always very much about thinking about that as it relates to their program and I do think, look, there aren't – those that do not have that PBI focus, it is a real challenge for them. I mean, we are able to – because we're a granting organisation ourselves, we have a lot of flexibility there, but it does make it really difficult and there are so many amazing organisations out there that when you're ..... with one that very clearly has a strong PBI and one that doesn't, then it's much safer or easier for us to focus on the one that is – has the clear PBI.

**MR SEIBERT:** Yes, Julie.

**MS ABRAMSON:** Thank you. I wanted to ask a couple of questions. You've got really interesting data in your original submission about the profiles of TFN donors and I was interested if you thought that the – that that had changed over time and the reasons and the motivations – as you know, we've got a whole chapter on that - - -

**MS LARK:** Yes.

**MS ABRAMSON:** - - - is changing and I suppose the background to that is that we know that young people particularly like to give to a cause as opposed to what we might call a traditional charity, so being in the space, I'm interested in your perspectives on that.

**MS LARK:** Yes. I mean, it has been real – and I guess one of the things I even reacted to in the – in the paper was the idea of philanthropy being the domain of the wealthy and I think that we definitely see a younger demographic really interested in giving but you're right, they have slightly different motivations and so for us, we've also been mindful for that. When TFN started off we used to say there was a minimum pledge of \$100.

**DR ROBSON:** Yes

**MS LARK:** And we – and it was a very public – you had to raise your hand. You had to yell out the amount and it made some people uncomfortable and at the same time it maybe didn't lend those who wanted to give less and so we've been really fortunate. I think COVID on the positive side by going online, by allowing us to reach more people that aren't necessarily in the city on any given day has giving us lots of opportunity to experiment with things and so one thing we've done is removed the minimum pledge of \$100 and we've also introduced technology and mobile pledging so that people can pledge in whatever way they may – feels best to them and, interestingly, I think we thought originally going in that the people that would use the mobile pledging would be young, obviously, but then also would perhaps be doing smaller amounts and we've actually seen it on both sides of it.

So I think the first event we did it was at the Social Enterprise World Forum. We did an event there and so we had people remote and in a room, etcetera, and we thought we'll see if people will pledge via mobile and I had transactions as large as \$15,000 being pledged online and then you also had people giving smaller amounts and I think the thing that is true at all of our events is that we often have people giving that work in the sector. All right. They're already giving – you know, they're giving 20, 30, 40, 50 dollars and the promise of TFN and all these collective movements is that my \$20 with your \$20 with someone else's \$100 with someone else's \$1000 all have this impact and so I think the technology is going to allow us to reach more people. We have done two Giving Heroes events which were completely geared towards kids and about them being able to give their pocket money and I would say some of those have been the most beautiful events that we've had. Right. They were young kids that did chores around the house. They might have done something in their ..... group or they were pledging 20, 30 – you know, \$25 is very, very accessible and I think that's something that has been absolutely brilliant and I do think that that nurturing giving at a early age is going to be essential for us to not be solving the problems now but in 20 years.

I look at myself. My whole focus on giving was certainly embedded in me from a young age and I think the more that we're providing kids those opportunities now, they're – we already see them wanting to do the gold coin donations at school and drive all that forward, but turning them into philanthropists or, like, say givers because I don't think philanthropy feels very accessible to everyone, but that anyone can give and that – and even through our research for that we saw that they don't just want to give money. They want to volunteer their time. They want to be doing things that have a tangible impact. So we – one of the organisations we funded through that was Eat Up. Well, the idea that they could go and make a sandwich that's going to go to a kid who doesn't have - - -

**MS ABRAMSON:** Yes.

**MS LARK:** - - - a school meal, that's really attaching to them what it means to give, that they can give money to make those sandwiches passable, but they can also sit down and make sandwiches and I think the more we can provide those attached volunteering opportunities along with the giving opportunities is going to be really key.

**MS ABRAMSON:** Could I ask you a bit about the technology because it's very interesting that you had people giving mobile pledges because we've also heard from some of the more traditional charities that a lot of people who give to them give by cheque and the government is phasing out cheques, so I'm just wondering and we've heard evidence that older Australians – although the definition of older Australians now ..... think that that's old, but that they were reluctant to use internet banking, to have a mobile phone, but the evidence you've given us is that in certain cohorts you said you had people from both ends of the spectrum. So what's your experience and do you have any ideas about how we can get people more comfortable with online giving?

**MS LARK:** Yes. I mean, I think for us the mechanism and the – how we pledge in the room is – is at the moment separate to fulfilling your pledge, but the fulfil – people always also then ask about people fulfilling the pledge and I'm pleased to say that everyone – almost everyone does fulfil their pledge, but online we provide – and I guess that's one of the roles that TFN plays, that instead of you going to an event and you going and making payments at three different charities that you don't really know you can come – you come to the TFN website. I mean, we give people multiple options so they can - - -

**MS ABRAMSON:** Yes.

**MS LARK:** - - - they can pay via credit card, they can also request a - - -

**MS ABRAMSON:** I will just interrupt you one moment.

**MS LARK:** Yes.

**MS ABRAMSON:** They have to be online to start with.

**MS LARK:** Yes.

**MS ABRAMSON:** Yes.



**MS LARK:** Yes. So they have to do it – now, they can also – the other thing is they can create an invoice and I guess sometimes we’ve done that before and that’s often the case with people who are sometimes paying from a path or other mechanism where they’ve - - -

**MS ABRAMSON:** Yes.

**MS LARK:** - - - come and they’ve pledged and then they need to – and then they want to, you know, pay via bank transfer, bill pay, etcetera. But – yes. I would say we’ve never accepted cheques as far – as far as I know. I’d say most people – and, again, we’re not doing direct mail, we’re not – you know, we reach people in a different way, but from our perspective, that mobile – I think that, ultimately, many of our donors would prefer to fulfil right from their phone immediately and even with the QR code, I’d say, again, another COVID thing that taught us all, really comfortable with a QR code. So for us it’s been really easy even after the event to just have a QR code to allow people to go directly to the page to fulfil a pledge. So we’re seeing a lot more comfort with that, I’d say, and I – again, I think to attract a younger demographic you’ve got to be able to have all of those things work and have them work effectively.

**MS ABRAMSON:** Thank you. The other questions I wanted to ask you and you may not have a view about this but is the publicly available information on the ACNC website. Do you have any views about the type of information because you’re matching - - -

**MS LARK:** Yes.

**MS ABRAMSON:** - - - donors?

**MS LARK:** I would say we – we – we use it as well. So when we do our open call for applications and then we – then we shortlist to six, we go and we verify the information on the ACNC and we check that everything’s up to date and if anything – you know, we – those are – that’s one of the many steps that we go through. I think – yes. And I do find that I also would go in and access information on the annual charities report to look how that information is. I guess, for me one thing that I often have to have double calculated and checked – and I had – I had ..... double-check it for me is one stat that I frequently cite which has to be calculated is that, you know, 94 per cent of all donations in Australia go to the largest 10 per cent of charities and that 98 per cent of government funding goes to those classified as large, extra large. So I think for – it probably opens a lot of – for me those stats are daunting, but then also show the potential if we can find better ways and easier ways for people to give to smaller charities.

**MS ABRAMSON:** Do you think though – is there any – given that you’re a user of the website, is there additional information that you think should be publicly disclosed or available? You can take that on notice - - -

**MS LARK:** Yes.

**MS ABRAMSON:** - - - if it’s easier for you.

**MS LARK:** No. I’ll – I’ll think about it. It’s interesting because I guess you have to weigh up the – the – the – the challenges - - -

**MS ABRAMSON:** The cost of ..... yes.

**MS LARK:** - - - of having to update it. Right.

**MS ABRAMSON:** Yes.

**MS LARK:** And I guess this is where the – those lack of resources for so many charities come in and I think the more that the information can be universally available and applied and much like, you know, if you look at some of the fundraising and the multiple state - - -

**MS ABRAMSON:** Yes.

**MS LARK:** - - - compliance, etcetera, and I think the more – if the ACNC can be the one place that you update all information, then I think that provides a mechanism that's much easier for grassroots charities to - - -

**MS ABRAMSON:** Can I ask one follow-up and then I promise I'll stop, Alex – one follow-up question about fundraising, which you just raised and I probably should know the answer, so I apologise that I don't. You are getting – matching funds. So you're doing it from different states. So is there a fundraising issue for you or because you're not directly the fundraiser it's not such an issue?

**MS LARK:** Look, there's far more – we primarily do events in Victoria, New South Wales - - -

**MS ABRAMSON:** So you comply with the - - -

**MS LARK:** - - - and Queensland, so we - - -

**MS ABRAMSON:** - - - laws of that jurisdiction.

**MS LARK:** - - - comply with the individual state - - -

**MS ABRAMSON:** Yes.

**MS LARK:** - - - pieces and there's been more – more of a line between that once you've got the one - - -

**MS ABRAMSON:** Yes.

**MS LARK:** You've got – so it's less of us having to go back and being, like, are we up-to-date in Queensland, etcetera?

**MS ABRAMSON:** Yes.

**MS LARK:** Because they are, you know, extending it as long as you're up-to-date with the ACNC.

**MS ABRAMSON:** Yes.

**MS LARK:** But I think it is something that is daunting to kind of figure out, making sure you're compliant with the right things. Even, you know, when we thought of doing – you know, trying to do some other ways of fundraising, it starts to kind of raise - - -

**MS ABRAMSON:** Yes.

**MS LARK:** - - - questions even for us. So it is complicated and I think for most grassroots organisations it'd be ignorance rather than - - -

**MS ABRAMSON:** Yes.

**MS LARK:** - - - a blatant disregard and lack of kind of understanding and lack of finding the right answers. Right. Like, it's not as readily available of how to do that. So I think those are the kind of education pieces that I think would be beneficial to charities.

**MS ABRAMSON:** Thank you.

**MS LARK:** Yes.

**MS ABRAMSON:** Thank you very much.

**DR ROBSON:** I just had a couple of questions and it strikes me that you're in a unique position because you do get to observe donors behaving whereas we get data and we – numbers, but we don't really see what's going on, so I just had a couple of questions around that. I mean, do you tend to see people donating to more than one charity or do they focus their money into just a single charity and then that's it .....

**MS LARK:** Yes. I would say at our events most of them pledge to multiple.

**DR ROBSON:** Okay. Interesting.

**MS LARK:** And I think that that's a – that's probably a differentiator between TFN and some of the other models because there isn't a winner.

**DR ROBSON:** Yes.

**MS LARK:** The goal is to fund for all three of them and it's - - -

**DR ROBSON:** Yes.

**MS LARK:** - - - an interesting – look our – now that we're doing more of that mobile piece, we have a better look at our data and then the analytics of that. It's been very interesting to see – we see a unique thing happen in the audience, that real sense of fairness and wanting them to be equal, so we actually that the totals raised tend to equalise. We do put the matched funding in equally. We did something in the last kind of 12 months and I've actually asked the data analytics firm that's helped us with this to do some more digging on this because I think it is interesting to point out, we used to kind of do – we'd raise funds for one, two and then three and then we would come back and do a – and we'd do a come back and do a separate round and then recently in the second round we've started showing all three of them at the same time. So it used to be we'd hide them so you could only see the one you were on and now that we've started showing all three of them at the same time and now we can actually add money to any of them at any time we're actually seeing the totals going up for all three.

So I think we used to – the third one, for whatever reason, would always feel like it raised more than all the other ones because they were last and you got the final one and now we’re seeing that the audience doesn’t want – wants them to have a sense of fairness and equality and we think it’s raising the total raised for everyone and bringing – and giving people – at the end – we have been fortunate to have donors come in and say, “You know what?” I’ll give an extra two to this one, three to that, you know, and really even them out. So look, I think there’s some – I think there could be some really interested behavioural economics stuff to look at about what happens in that – in those rooms that get people to do that and, again, we see it happen – I mean, we’ve seen it happen 150 – 150 times where the group together, their desire to have an impact, they really do come together and influence the outcome. So I think there’s some interesting things at play and I guess that’s why we are showing that when you get people in the room, you educate them about the issues and you give them an opportunity to help, that they step up to the plate and so how we can take that and expand it, I think, is – is – is really interesting and something that I think could have a real impact.

**DR ROBSON:** And then do you sort of measure or monitor, you know, for want of a better word, I mean, I guess there’s one of measuring culture in the sense that, you know, are there people who turn up time after time and so they’ve got – it’s obviously something – you could call it cultural or it’s just a habit or – or – or and then the other aspect of it might be that, you know, person A turns up whenever person B does and so does little networks in there and that’s a form of culture as well. I know my neighbour’s going to go so I go. Do you sort of monitor that as well, those two effects?

**MS LARK:** We do, because we’re trying to kind of create – we obviously want people that are regular givers, but we also want to have givers, so - - -

**DR ROBSON:** Yes.

**MS LARK:** - - - we’re trying to kind of have a balance of that and even how we do the partnership. So we would have different partners for different events because it would reach out to new people. I think that some of the kind of people that are, you know, the larger givers who may – who have – would have funds, etcetera, they often would use TFN as their way for grassroots giving. So they kind of know the – let’s say they know the 10 charities that they’re passionate – they’re really into and they kind of come to TFN with an open mind to say, you know, it’s not realistic for me to go out and find which are the best grassroots organisations. So, if I come here, I know I’ve got a curated list - - -

**DR ROBSON:** Yes.

**MS LARK:** - - - focused on that and that’s often what we’re kind of doing with this theme. So we know if people are interested in – I should have said what the other theme was. Also, thriving young people is one of the themes, equity and inclusion, First Nations and the fourth one is local place-based. So those are more for the ones that are in local regional communities. I mean, I think that we believe that we’ll continue to see people that are specifically interested in that broad issue area but that also want exposure and access to grassroots organisations they wouldn’t otherwise - - -

**DR ROBSON:** Okay.

**MS LARK:** - - - have.

**DR ROBSON:** And one last one and then I'll go to Krystian. You mentioned the matched funding. So how does that work? How does that work exactly?

**MS LARK:** Yes. So we – before every event we try to get a corporate partner or a – or a philanthropist to put in what we call matched funding and so what happens on the night is that we will be able to say the first \$30,000 raised tonight will be matched thanks to - - -

**DR ROBSON:** Right.

**MS LARK:** - - - whoever it is and so what happens – and this is part of what gets the audience going – is you put in 100 but then it comes up 200 on the screen. It's this idea that your contribution is again being amplified is something that then we're doing it not just by the person next to you in the room doing it, but by the fact that someone's already put their hand forward and said that they'll match it.

**DR ROBSON:** And so that person who donates the 100, they would get a tax deduction for that 100 - - -

**MS LARK:** For that 100.

**DR ROBSON:** - - - and then they get the additional - - -

**MS LARK:** For the - - -

**DR ROBSON:** - - - subsidy, as it were, from - - -

**MS LARK:** Yes. And - - -

**DR ROBSON:** - - - from the matching.

**MS LARK:** - - - they benefit - - -

**DR ROBSON:** Yes.

**MS LARK:** - - - from the fact that they know that their - - -

**DR ROBSON:** Yes.

**MS LARK:** - - - 100 is getting someone else to.

**DR ROBSON:** Yes.

**MS LARK:** I guess the other phenomenon that happens at our events is that we often have someone who will – we encourage creative challenges. So you may have someone that will be, like, "I'll pledge \$100 if three other people that are I'll say fans of the Kansas City Chiefs," - - -

**DR ROBSON:** Yes.

**MS LARK:** - - - "pledge \$100," or, "I'll pledge \$300 because I grew up in Wagga," blah, blah, blah, "if anyone else who grew up in Wagga will match me," and so you get the – you know,

obviously, it's a – the audience gets to decide that they'll match that. Sometimes people will say, "I'll match the next four pledges that are given."

**DR ROBSON:** Yes.

**MS LARK:** Right. So - - -

**DR ROBSON:** Yes.

**MS LARK:** And so those types of incentives we find, again, get everyone kind of in the, you know, as they say, gamify, making it fun - - -

**DR ROBSON:** Yes.

**MS LARK:** - - - creating that kind of piece and another piece is that connection and those relationships ..... they'll meet someone in the room and connect with them and after and we then try to also have opportunities for people to connect many – we have many – many organisations who have pitched will say the funds that we raised on the night were amazing, but the game changer for us was that, you know, I actually might – the person who's come on to become my board chair I met in the room or now our largest funder was someone who might have – who gave us – you know, might have given us \$1000 at that event, but now they've gone on and have now become our major and those are the types - - -

**DR ROBSON:** Yes.

**MS LARK:** - - - of things that we're trying to really make happen.

**DR ROBSON:** Okay. Krystian .....

**MR SEIBERT:** Your core operations, are they funded through sort of philanthropic partners or how do you cover them? Because we're interested in, obviously, sort of, yes, the different forms of support that ..... we can provide. We heard sort of in submissions - - -

**MS LARK:** Yes.

**MR SEIBERT:** - - - and our earlier consultations - - -

**MS LARK:** Yes.

**MR SEIBERT:** - - - about the importance of general operating support, that sort of thing.

**MS LARK:** It's very – I would say ..... are very expensive to run and it's very – and it's a big part of what we do. So 70 per cent of our – of our operating costs are funded by philanthropy and then 30 per cent are kind of on a – are for our fee for service. So we – we actually now offer our model to larger charities, corporates. We also offer our pitch coaching. So, again, look, I think, you know, in a perfect world you'd have a day that some day that would pay for, but I don't think that's a realistic expectation. It's probably worth noting that for our events the model is based on us retaining 10 per cent of the funds raised at each event, but as I often point out, that 10 per cent of the funds raised covers roughly 10 per cent of our costs. So, you know, it's an interesting quandary to kind of say is it even worth doing the 10 per cent because it gives a sense that it's paying for that, but for us the event is one point in time but the whole kind of ongoing

selection process and then for us the ongoing alumni program that we provide all the charities is a – is a costly but essential part of what we do, so it is a – it is a problem. Yes.

**MR SEIBERT:** Because your – the participants in your event, what are their attitudes to, you know, paying what it takes to administration costs, overhead costs? Because, yes, we've heard that there can be different views from donors about that.

**MS LARK:** Yes.

**MR SEIBERT:** But, yes, what are their views generally sort of around that?

**MS LARK:** Look, I think conceptually they – they get – get the idea, but I think they get very much about what the impact is of this program in the stars and I do think there is a big education piece. You know, we – we hosted the initial screenings of UnCharitable with social impact hub for that reason with the ..... piece that you might have already been hearing about because I think it is really difficult for people to get their heads around that and our 10<sup>th</sup> anniversary event for the time TFN actually pitched because, you know, we needed to kind of demonstrate that the cost of doing this is really expensive and I think, you know, the ongoing challenge that we're going to continue to have is that, you know, if you want the best people to work in the sector, they need to be paid - - -

**MR SEIBERT:** Yes.

**MS LARK:** - - - and they need to be able to invest in marketing and they need to be able to invest in fundraising, they need to invest in those tools and I think it's a – it's a real concern.

**MR SEIBERT:** So even amongst your participants which obviously have – probably have more of an engagement with giving because they're at one of these - - -

**MS LARK:** Yes.

**MR SEIBERT:** - - - events, if you had a pitch for general operating support for charity ABC versus a specific project that charity ABC is doing, which one would do better, you know, in this very general - - -

**MS LARK:** The specific - - -

**MR SEIBERT:** The - - -

**MS LARK:** The specific project with that.

**MR SEIBERT:** So even amongst people who are very engaged, they don't – there is still a reluctance to fund general operating support - - -

**MS LARK:** Absolutely.

**MR SEIBERT:** - - - for charities operating in a particular - - -

**MS LARK:** Yes.

**MR SEIBERT:** ..... area.

**MS LARK:** I would say that's absolutely true. Yes.

**MR SEIBERT:** And do you play a role sort of trying to educate around that - - -

**MS LARK:** Yes, no, it - - -

**MR SEIBERT:** - - - and change those mindsets?

**MS LARK:** It's a big focus for us to try to help that become clear and I guess, for us too, we work really hard because we spend a lot of time helping the charity - their pitch - pitch effectively. A lot of it is having them talk about their impact in the - but finding a way to be telling the story that their work makes possible and I think so much of that is important to try - try to push them. Not - not - don't put a new project on just to get this funding because we're in this perpetual cycle of funding the new project but never getting the core operations were funding and for us that's a lot of why TFNs changed our model or is shifting our model to be more theme-based so that we can go for more funding even for ourselves around key issue areas because the - more and more organisations are narrowing what they'll - what they'll - what they'll fund and it is a - a real problem and I think you're going to see intermediaries squeezed because of the - the intensive nature and the - the costliness of what they do. Yes.

**DR ROBSON:** Thank you. Do you have any more questions?

**MR SEIBERT:** No.

**DR ROBSON:** That's it. Thank you very much for - - -

**MS ABRAMSON:** Thank you.

**MS LARK:** Thank you.

**DR ROBSON:** - - - coming along.

**MR SEIBERT:** That's really helpful. Yes, it was good.

**MS LARK:** I appreciate it.

**DR ROBSON:** Okay.

**MS ABRAMSON:** Hopefully, things improve at the Super Bowl for you.

**DR ROBSON:** So we've got another quick break and we'll come back at 2.30.

**ADJOURNED**

**[2.08 pm]**

**RESUMED**

**[2.29 pm]**



**DR ROBSON:** Okay. We will get started again. So if you could just state your name and the organisation that you're from and then if you would like to make an opening statement we would be happy to hear from you.

**DR C. DUNCAN:** Sure.

**DR ROBSON:** And then we will get into the questions.

**DR DUNCAN:** My name's Chris or Christopher Duncan and I'm the chief executive officer of the Association of Heads of Independent Schools and our national office is located in Canberra.

**DR ROBSON:** Yes.

**DR DUNCAN:** Five simple points to our submission, I think. Firstly, I just want to convey our appreciation to the commission for being able to make a contribution to the discourse on philanthropy review. Not surprisingly, we're particularly interested in education and the relationship with philanthropy and education. We expressed our reservations about the efficacy of eliminating the deductible gift recipient status from school building funds. We argued there's unprecedented demand for schooling. We have a surge in the school age population. Government schools are having trouble meeting that demand and there is also an elevated demand for – particularly for low-fee independent schools that serve the outer metropolitan parts of our big cities and regional Australia.

For example, I was principal of a school called Lindisfarne which is in the Tweed Valley in northern New South Wales, right on the Queensland border. I was principal there for 10 years. We had 1000 students in northern New South Wales. That school now has 1900 students. That's about eight years later. So there is the sort of value proposition attached to these lower fee independent schools that so-called working families, I think, find valuable. So the general increase in population, particularly in school age population, and fuelled by, I think, the demand for independent schooling and the lack of the State's capacity to really keep up with the demand for government schooling.

Say, for example, on the lower north shore in Sydney, you know, Chatswood Primary School, I think, was designed for 500 students. It has got 1200 students. So in that sense there is sort of a strong need for schools, particularly independent schools, to try and retain their building funds and the DGR status attached to them because we believe that's an efficient way for the government to make a contribution and supplement capital development within independent schools. It calls for more direct funding mechanisms, but we would argue that would probably involve the government in a lot more dollars and it also puts the onus back on schools really to raise that money in the first place. And, of course, having a tax deductibility is an incentive to raise that money.

The other thing pointed out in the submission, I just want to refer to the diversity of the non-government school sector. There is a predominant view, mainly in the media, that all independent schools are rich, wealthy, exclusive, over-funded and so on. Those schools represent about 11 per cent of the sector. I'm talking about schools that have views of Sydney Harbour and views of the Swan River, you know, from Peppermint Grove or Mosman Park in Perth but they represent 11 per cent of the sector and in our submission we quoted some data there from the Independent Schools Australia showing the distribution of parents' capacity to pay.

That's the formula on which independent schools or non-government schools have their recurrent funding. The socio-economic distribution of parents in independent schools, not just non-government schools but independent schools, is not that dissimilar from the socio-economic distribution of parents in government schools. There are some interesting parallels there and I refer to the diversity of the sector in terms of the sorts of schools where you have – you have Islamic schools, you have Anglican schools, the Montessori, Steiner, special assistance schools and so on and just refer to the diversity of the sector, just to try and get a clearer message across that doesn't come across in the media because of their addiction to unflattering stories about lavish private schools and overpaid principals just to try to convey the picture that there's a great deal more diversity in the sector than is commonly realised.

And the other thing, and I would sort of beg the commission's indulgence, it was just really a reflection on the connections between the commission's significant interest in school reform and the review of the National School Reform Agreement and its interest in philanthropy and I think there are some interesting dots that could be joined. And I appreciate these inquiries have got very clear terms of reference and so on, they've got to work to keep within their lanes, as it were, and I reference the Australian Values Education Program which was run here between 2003-2010, significant pieces of research, academic research, and practice-based research in schools, which privileged values education and values pedagogy over academic outcomes and it drew some really interesting connections between what it called the moral ambience of the school and academic diligence.

And I've subsequently done a PhD on that connection, looking at some neuroscientific evidence around that connection, and I refer to the fact that there's a very predominant paradigm at the moment that schooling is all about the economy. It's about national prosperity, about the economy, and there's nothing wrong with that but the old idea, an enduring idea that schooling was basically a moral practice, a moral enterprise, and it's within that sort of moral ambit, so that I'm not pushing any particular moral point of view, but we're talking about having students' sense of being, you know, taught to think democratically, to be able to think in terms of moral reasoning and so on, that these things make – these sorts of atmospheres in schools make a difference to academic achievement and it's that sort of moral ambience of the school and, as I said, I don't want to overplay the point.

But, as I said, I just think there are some interesting connections to be drawn between schooling and philanthropy and that philanthropy, if we really want to embed it in the community, it begins in schools and around the way schools are run, the relationships among students, the relationships among staff, the student/teacher relationships. The relational nature of school, I think, has a tremendous impact on that sense of giving and what I talk about, values-based schooling, it's fundamentally schooling as a philanthropic act. As I said, I appreciate the terms of reference for these separate inquiries, but I think from the – it was just a connection I think that, from our point of view, was a very obvious one and I thought worth bringing to the commission's attention.

And I know it's a little off-track in terms of the core part of the inquiry into philanthropy and how philanthropy can be enhanced in a community, but we're a schooling – we're a school leadership organisation and we wanted to sort of contextualise philanthropy within the context of school. So, look, I will stop there.

**DR ROBSON:** Thank you very much, **DR DUNCAN**. So lots to talk about there. I might start obviously on school building funds. So the view we took in our report is we think there's a clear role for government to support school infrastructure. At the same time, we were asked to look at DGR and, you know, it's fair to say if you take a look at the report we came to that topic and found that over its hundred year development it was very messy in terms of its policy rationale and underpinning and where it was heading and that – the principles that underpinned it. So we came up with three principles and then applied it.

So I might get you to, if you could – and we will get to the issues you talked about because I think they're really important but what are the three principles that we talked about, you know, the – and it's applying DGR to activities rather than entities. So the first one is there's a role for government support. The second one is that, you know, subsidising philanthropy is a good way of providing that support and the third one was around nexus between a donor and the recipient. So I wonder if I could ask your view on those principles and is it more that you – if you agree with the principles but disagree with the application or you think the principles are wrong. Where do you sit on that – those sort of questions?

**DR DUNCAN:** Well, look, I guess the overriding question – I mean, governments have provided a lot of support for non-government schools for a long time. That support has been predominantly support for a current spending but the amount of capital that governments have provided is relatively small, and this is State and Federal governments, for building projects and they've always been targeted to low-fee schools with – in parents in low socio-economic areas. So if you're a school in Sydney Harbour you will never get a capital grant from the government. So I suppose the question is, you know, what is the most efficacious way for governments to make a contribution to the capital development.

**MS ABRAMSON:** Could I just pick you up on one point there.

**DR DUNCAN:** Sure.

**MS ABRAMSON:** I'm sorry to interrupt but I think there were grants, weren't there, under the school building – the Gillard fund. I think that there were grants given to schools for facilities.

**DR DUNCAN:** Yes. That was the Kevin and Julia – yes. That was the - - -

**MS ABRAMSON:** But you would say that runs against the - - -

**DR DUNCAN:** No. Well, that was pretty much a one-off thing.

**MS ABRAMSON:** Yes.

**DR DUNCAN:** Because there was a very deliberate thing to inject capital into schools. This was following the global financial crisis around unemployment. So lots of schools got new science laboratories. There was a very specific injection.

**MS ABRAMSON:** Yes.

**DR DUNCAN:** And I can't think of the name of it. ....

**MS ABRAMSON:** No. No. That's fine.

**DR ROBSON:** Building the Education Revolution.

**DR DUNCAN:** Building the Education Revolution. That was very specific and I recall the school I was in at the time we had an extension of our library. But every school in Australia, government and non-government, received those capital funds. Yes. That's true. But the majority of capital, a little bit from the State, little bit from the Commonwealth, has always been directed to low-fee schools.

**MS ABRAMSON:** Yes. Understood.

**DR DUNCAN:** Yes. And, of course, that's perfectly reasonable, as it should be. So the government has always made that kind of contribution. I suppose the question is, which is the most efficacious way to do it. I guess we would argue with the DGR thing is that it does put onus back on the school to raise that money and it provides an incentive to donors. So, in that sense, it's not just a blanket grant. You know, the school has to do the work, in they do the philanthropic work, and there's a reward attached to it. I mean, the question is should every school be eligible for it or just some schools? And that's another question, I think.

**DR ROBSON:** Okay.

**DR DUNCAN:** Yes. About building funds.

**DR ROBSON:** Yes. We might explore that one a bit. So you mentioned low-fee schools and also with parents who have a relatively low capacity to pay.

**DR DUNCAN:** Yes.

**DR ROBSON:** And I guess the question there around DGR is that, well, if you've got a low capacity to pay you've probably got a lower income and therefore, you know, because of our progressive tax system, the incentive through DGR is then lower. And so I'm trying to unpack that in the sense that, yes, the way that DGR for school building funds is currently designed is the higher income you have, the more incentive you have and that's – you know, that's part of the sort of feature of it. But the bug or disadvantage of it is - - -

**DR DUNCAN:** Sure.

**DR ROBSON:** - - - that you've got a lower incentive and exactly the problem you're talking about. So we will get you to comment on that and then we can talk about those other issues.

**DR DUNCAN:** Yes. Look, I mean, I know it's very clear in your inquiry that, you know, the majority of giving, philanthropic giving, comes from higher income people. However, I would argue that – I mean, let's take, you know, Al-Faisal, which is a large Islamic school. It has a campus at Auburn, it's got a campus in Campbelltown. It has got 3500 students. This is one of the lowest SES schools. School fees are about \$2500 a year and that's based on parent's capacity to pay or capacity to contribute, the form that they used. So if that school has got a building fund, you know, a parent can make a contribution and get a tax deduction. I take your point that the incentive is not the same but a tax deduction – you know, for some – for a family earning \$50,000 a year and they contribute \$500 as building fund and they get, I don't know, a tax deduction \$200 or \$300 back, I mean, that's for them a significant amount of money I think. So the relativities, I think, are still there but I do take your point that there are lots of questions

around, you know, what's the best way to support – and I would argue the support for capital build is required mainly because of the surging school age population.

**DR ROBSON:** Yes. I mean, so a couple of points. Do you think – and I think you were trying to get at this is your view is that the DGR system for school building funds might be a bit more of a flexible way to do this rather than government grant?

**DR DUNCAN:** I think there's some options there to look at - - -

**DR ROBSON:** Yes.

**DR DUNCAN:** - - - rather than remove it. Some different ways in which it could be applied.

**DR ROBSON:** Yes.

**DR DUNCAN:** In a more re-distributive fashion.

**DR ROBSON:** Yes. So what about the idea of - - -

**DR DUNCAN:** I mean, don't tell the sector I represent that but - - -

**DR ROBSON:** It's on the record.

**DR DUNCAN:** That's all right.

**DR ROBSON:** But, yes, I mean I think that's worth exploring. So what about – I mean, we talked a little bit about, you know, the different marginal rates and so on and a person on higher income gets a – and nothing, you know, different values of dollars for different groups. I think that's a fair point but what about the idea of, you know, say, a different tax incentive where it could be a 30 per cent flat rate for everybody. So then someone who has got higher income they don't get to claim at 47 cents in the dollar, whereas a person on the 19 per cent nominal rate would get 30 per cent deduction and it would be capped. Like, is there different ways of designing it that you think could be more equitable?

**DR DUNCAN:** I think there are some interesting ideas. I mean, it's a bit like superannuation. It's like a flat 15 per cent on contributions and earnings.

**DR ROBSON:** Yes.

**DR DUNCAN:** There are contribution caps, of course.

**DR ROBSON:** Yes.

**DR DUNCAN:** So I think some of those ideas could have some interesting application in the way it's applied.

**DR ROBSON:** Yes.

**DR DUNCAN:** Because I think the basic premise is that it puts the onus back on the school to raise the money and it's not just a handout directly from government.

**DR ROBSON:** Yes.

**DR DUNCAN:** And if the way in which DGR is structured, structured perhaps in differential terms that you're suggesting, it's a really interesting proposition and I think it has got a fairness aspect to it that's really worth exploring.

**DR ROBSON:** And then what about – I think you mentioned, and correct me if I'm wrong, but you had a kind of an idea of not extending it to all schools so – is that what you were saying? Or - - -

**DR DUNCAN:** Well, that's – I think it's an option that has to be there, you know.

**DR ROBSON:** Yes. And you would differentiate that onto revenue or size or location or something?

**DR DUNCAN:** Well, yes. I mean, you could run a system at exactly the way independent schools are funded for recurrent funding. There's a – you know, a model that's capacity to contribute and it's based on – you know, it's a redistributive model.

**DR ROBSON:** Yes. Okay. All right. Did you have any questions?

**MR SEIBERT:** Yes. Because I suppose we're looking at this issue from sort of the DGR system but we see it within the broader context - - -

**DR DUNCAN:** Yes. Yes.

**MR SEIBERT:** - - - that government are wanting to fund particular outcomes in the community and they can do that through direct funding. They can do that through incentivising, philanthropy, through the DGR system and we're trying to understand those connections and I think as Alex said that with the DGR system say there's a school in an established area that has got parents on higher incomes, their donations get effectively more government support indirectly because they're in a higher tax bracket, whereas, say the school in a growth corridor – and we specifically mention in the draft report on page 189 and 190 about, sort of, there could be – you know, schools in a growth corridor could have more need for government support. But if the incomes of the parents there are lower, they're getting less government support because the tax rates are lower.

**DR DUNCAN:** Yes.

**MR SEIBERT:** So I suppose there is an issue in terms of equity and simplicity there and I would be interested in your thoughts about that in terms of, you know, whether there's a way to kind of ensure that it delivers better outcomes overall for schools, noting that the DGR system, because it's dependent on parents making donations, the government has got less kind of control over where its funds go. That the first question. And just the second one, we've got some data in the report too which says that the donations to school building funds based on the analysis we're able to do, sort of 10 per cent of school entities, get about 80 per cent of total donations and, I mean, it's not necessarily going to be the same as that 11 per cent of those high fee schools that you mentioned in - - -

**DR DUNCAN:** Yes. Yes.

**MR SEIBERT:** But is there – could there be an issue that sort of there might be schools in growth areas in low income areas that need support but they don't get as much whereas the ones in other areas get more? So - - -

**DR DUNCAN:** Yes. Look, I think the option of what I think you're suggesting is a needs-based DGR, you know, could have some interesting application. If you look at the equity and fairness issue, that's predominantly where the need is in the growth corridors of our cities and our regions, particularly, in the independent schools sector.

**DR ROBSON:** Did you - - -

**MS ABRAMSON:** Yes. I've got a question which isn't quite about that aspect of the tax system but I wanted to ask about the link between DGR and volunteering because I know that a lot of independent schools do rely on volunteers in all sorts of forms and guises.

**DR DUNCAN:** Yes.

**MS ABRAMSON:** So we did hear evidence earlier today that the ability to train up volunteers for particular things, different context, was reliant on DGR. That was a proposition that was put to us. So I'm interested in two things. That link between DGR and volunteering, and also any observations you might like to make about volunteers and their use within the independent schools.

**DR DUNCAN:** Yes. I'm not sure of the direct connections between volunteers and schools and DGR.

**MS ABRAMSON:** That was in a religious education context of people going into schools to deliver those services.

**DR DUNCAN:** I mean, look, there is lots of volunteering goes on in all schools but in independent schools, I mean, you will have volunteers, people coming to work in school canteens, people working in reading programs is, particularly in – schools have big programs around supporting students with various learning needs, lots and lots of parents coming into the school as volunteers to do a whole range of things, volunteers on excursions and so on and that's just the giving of people's time, often their expertise and so on. I'm not sure – and it's a question I haven't really thought about a lot but I'm trying to think what is the connection between that and contributions to school building funds? I'm not sure that they're connected at all but I have to – look, I have to take the question on notice and think about that a little bit more.

**MS ABRAMSON:** No. Absolutely.

**DR DUNCAN:** Yes.

**MS ABRAMSON:** No. Absolutely. And, as I said, that was put in the context of faith-based teaching within schools and the people who put those into the schools.

**DR DUNCAN:** Sure.

**MS ABRAMSON:** But in your position, you've just mentioned a range of things that volunteers do in schools. Have issues been raised with you about impediments to volunteering? Like, some of the rules that are required for - - -

**DR DUNCAN:** Yes. I mean, with the volunteers you've got to – schools have all got very strong policies around volunteering.

**MS ABRAMSON:** Yes.

**DR DUNCAN:** Around working with children checks, police checks.

**MS ABRAMSON:** Yes.

**DR DUNCAN:** The whole range, which is – and there's a particular classification for working with children checks for volunteers and so on because fundamentally working with children checks are employment related and they vary from State to State but fundamentally the same idea.

**MS ABRAMSON:** Do you see an issue, though, with the multiple – not having the regulations? We all understand why they have them but the way in which people have to implement them and having different regimes in different States?

**DR DUNCAN:** Yes. Look, I'm not sure the variability around the State is that critical. I mean, look, schools – modern schools, like every organisation, are full of compliance issues. We just deal with them.

**MS ABRAMSON:** Yes.

**DR DUNCAN:** I don't think it's a particular impediment to volunteering, it's just the way modern organisations have to be run. We have work and health and safety, child protection, all of those issues.

**MS ABRAMSON:** No. That's helpful.

**DR DUNCAN:** Yes.

**MS ABRAMSON:** Because in other industries we have heard that the things that are asked of volunteers is actually a big compliance burden and there are government programs that run against each other.

**DR DUNCAN:** Yes. Sure. Sure.

**MS ABRAMSON:** So the volunteering is not considered.

**DR DUNCAN:** Yes. I don't think it's a particular problem in schools.

**MS ABRAMSON:** That's fine. Yes. Thank you.

**DR DUNCAN:** Yes.



**MR SEIBERT:** Just following on a bit from my earlier questions and this is not that we have a view on this it's just to sort of explore these issues in a bit more detail and drawing on your submission around, sort of, the need particularly in, sort of – amongst low fee independent schools in less affluent communities, first of all, any data that you've got around where donations are going? Because we've got some data but any data that you've got around where they're going and to which schools would be very helpful for us. But then just to unpack that a bit further, do you think that hypothetically there could be some sort of an argument there for to, say, have if there is a view that government has a role supporting school infrastructure through the DGR system, that you have sort of arm's length entities that aren't necessarily attached to a particular school but they can – people can make donations to them. They get a tax deduction and then those donations are distributed based on need. So the schools in the growth areas have more need versus another school and obviously there are subjective judgments to be made there. But any comments that you might have about that?

**DR DUNCAN:** Yes. It seems like a very reasonable and sensible idea, that there is a body to administer this money and distribute it, you know, on a basis that has got some sound grounding to it, you know.

**MR SEIBERT:** Thanks.

**DR ROBSON:** Yes. Because I think the – I mean, the third principle that we outlined in our report is that, you know, we're concerned about the scenario where, you know, a parent donates a dollar directly into their own child's classroom - - -

**DR DUNCAN:** Yes.

**DR ROBSON:** - - - and then – which is great. That's fantastic. But then half of – you know, for a high income person, you know, other taxpayers are, effectively, subsidising half of that and so – and, you know, the question is, well, is that appropriate? Is it efficient? Is it a good use of public funds? And one way of, you know, still having tax deductibility and still having things based on need is that you sever that nexus between the public support and the recipient. Now, that's not going to be perfect but it's one thing that we've considered, so I guess that's where we're coming from with Krystian's question is that, you know, it's addressing this. Because, effectively, you know, if I'm a parent donating into my child's classroom, it's a donation but it's really I'm sort of donating to myself, you know, and the broad – my broader family. So there is that connection.

**DR DUNCAN:** Well, you're getting a discount I guess.

**DR ROBSON:** Yes. Yes.

**DR DUNCAN:** Well, I mean, so a discount in what sense?

**DR ROBSON:** Well, because then my fees could be lower.

**DR DUNCAN:** Yes. Yes. This is – well, it – sorry.

**DR ROBSON:** Go on. Continue. Please go on.

**DR DUNCAN:** There was an imputation, I think, in the inquiry that some people, by donating to building funds, were getting a bit of a discount off their school fees. Now, I just have never

seen evidence of that. In New South Wales it would be illegal with the section 83C of the Education Act which requires schools to be not-for-profit organisations and that would be seen to be subsidising parents and I was concerned in the report I think that imputation was reasonably clear that there was a bit of contra going on. That people were getting a discount for making a contribution. Now, as you know, the contributions to building funds are entirely voluntary and there can be, you know, no duress attached to them and I have just – I've worked in schools. You know, I've been a principal for 25 years, I've worked in schools all my life, I've never seen that happen.

**DR ROBSON:** And what about - - -

**DR DUNCAN:** And particularly in some States where – New South Wales where the legislation is really tough about ensuring schools are not-for-profit. That is, all the school's income and assets apply to the operation of the school, not to any other purpose, that that would be seen to be subsidising particular parents and it really can't happen under the legislation in New South Wales.

**DR ROBSON:** I appreciate that.

**DR DUNCAN:** And there are similar things in other States, but the New South Wales is a bit more – well, a lot more explicit about that. Yes.

**DR ROBSON:** I appreciate that for a direct but what about indirectly? I mean, because part of the concern we read in your submission is that by getting rid of DGR that fees would then increase. So, there is some degree of substitute, I guess, and that's what we're getting at. That, you know, indirectly there's – it would have implication for fees and so that's – that's part of this – what we're concerned about in one of the principles as well.

**DR DUNCAN:** Yes. Well, I mean, for capital, I mean, schools have got to – you know, they've got to – you know, donations. You know, capital raising, loans, so on, because – and it's really important too that – and the media never wants to get this, that recurrent funding cannot be used for building programs, for capital.

**DR ROBSON:** Yes.

**DR DUNCAN:** Now, that's really hard to tell certain people at The Age and The Sydney Morning Herald but – yes. So that we've got to be really clear about that but I don't quite see the discount. Okay. They're getting, you know, a very favourable tax deduction but they are making a contribution out of their own money. It's not required. So if they're donating \$10,000 and they get a – you know, a marginal tax rate of, you know, 47 or up, they're getting, you know, fifty – you know, \$5300 back.

**DR ROBSON:** Yes.

**DR DUNCAN:** There is still a contribution there. It is a gift, although it's, you know, a subsidised gift, I guess.

**DR ROBSON:** Yes. Do you have another question?

**MR SEIBERT:** Just on this because I suppose the reason we're asking this and why we have undertaken the analysis and the report is that generally there's a view that sort of – that, you know, with support through DGR that sort of private benefit has to be incidental rather than sort of substantive generally but I suppose I was just thinking of an example you gave earlier, I think, of an Islamic school in the suburbs somewhere.

**DR DUNCAN:** Yes. Yes.

**MR SEIBERT:** And parents pay fees but then – and I'm not trying to put words in your mouth but you can maybe sort of clarify what you said, but then they make a donation as well for the building fund and then it does mean that the fees don't have to be as high because the donations are covering the costs of the building. So it's that kind of indirect substitution that Alex might have been referring to but maybe you can unpack that example that you gave about that school sort of – yes.

**DR DUNCAN:** Yes. Well, I mean – yes. These State fees are \$3000 a year at this school. A parent makes a \$500 contribution, you know, to a school building fund and if they're on the lowest marginal tax rate, which has gone down to, what, 16 per cent now or 19 per cent.

**DR ROBSON:** 19.

**DR DUNCAN:** 19. You know, they get some benefit but the benefit is not huge but it's a benefit nonetheless and relative to the amount of money they can afford and the amount they've contributed I guess it's a benefit to them and a benefit to the school.

**MS ABRAMSON:** Just asking, if I could, a few questions because of your knowledge with the school building funds, are the donors mostly parents?

**DR DUNCAN:** Not always. No. Not always. You know, you look at significant donors, they could be grandparents often or they probably will bear some kind of relationship to the school.

**DR ROBSON:** Former students.

**MS ABRAMSON:** Former alumni.

**DR DUNCAN:** Yes. Harry Triguboff, you know, Meriton Apartments, has contributed significant amounts to Jewish schools. You know, he might have a grandchild at one of those schools, I don't know, but it's more of a community support in that – in that sense.

**MS ABRAMSON:** Do you also know how the money is allocated out of the school building funds? I guess that all of the schools have different ways of doing it but just, you know, as a general proposition?

**DR DUNCAN:** Well, the building fund will either have a charter or a, you know, memorandum of understanding or a constitution about how its funds are to be spent and it's very specifically that it can only be applied to capital works.

**MS ABRAMSON:** Yes.

**DR DUNCAN:** I mean, a couple of schools, you know, 20 years ago did the wrong thing using that money applied to recurrent expenditure, which is illegal and in breach of their terms of reference or their charter for the conduct of the building fund.

**MS ABRAMSON:** Thank you. And just a broad question. We know from our study that people give for a whole range of different reasons. Like, they have different motivations, so why is it that you think that the removal of DGR would affect people's ability to give? Would some of them not give anyway?

**DR DUNCAN:** Look, I think that's pretty evident. Yes. Yes. Yes. I mean, it's a gift. But, you know, it sounds a little crude but it's very much a taxpayer subsidised gift but a gift nonetheless and they are, you know, giving money and, in many cases, significant amounts of money, you know.

**MS ABRAMSON:** Thank you.

**MR SEIBERT:** Just one final question from me. Do you know from your members whether, sort of, schools have partnerships with other schools as well to sort of like, say, there might be a school in a particular area that has lots of resources and it partnered with another school but shares resources. You might be familiar in England and Wales, because of some changes there they had to charity laws, like a lot of independent schools there, which are confusingly called public schools, have partnerships with State schools, etcetera, to provide access to facilities and that sort of thing? Do you see that much amongst your members?

**DR DUNCAN:** Well, we've got school's insistence – some schools – so, for example, the Sydney Anglican Schools Corporation has got about 20, 21 schools, it's one corporate entity and each of the schools is a sub-committee of the corporate board. So that's a system. But basic partnerships and things are a big no no under the New South Wales not-for-profit legislation. If you – you cannot contribute money to another school. So, for example, you could have a school that was founded, an Islamic school that's set up, it's running, well, they want to set up a sister school. It's a different organisation. They cannot make a contribution to that school. We've had schools in the past got rapped over the knuckles because they lent another school a significant amount of money.

**MR SEIBERT:** Are they allowed to promote access to their facilities to the community? So I live near a school that has got a pool and everything like that and they can provide access to community groups and that sort of thing?

**DR DUNCAN:** Yes. Look, that's not a problem. Yes. There was an initial problem – with the New South Wales not-for-profit legislation, there was a problem about schools making their facilities available to the community because it was seen as income foregone, i.e., you let the little ballet group use the hall on Wednesday night, that school could be collecting rent, why is it subsidising the local ballet? Now, that all got sorted out.

**MS ABRAMSON:** Yes. That would always be the finance and tax people saying that.

**DR DUNCAN:** Yes.

**MS ABRAMSON:** No surprise there.

**DR DUNCAN:** But it was a problem in the legislation and when Rob Stokes was Education Minister here in New South Wales that got resolved but there were little quirks in the legislation like that. But that's the kind of example and under the Building Education Revolution as well, all of those school facilities were required to give – provide community use.

**MR SEIBERT:** That's really interesting. Any sort of follow-up information you could provide around, sort of, the changes that were made and – because that is - - -

**DR DUNCAN:** Yes. Yes. Well, it's very clear in the conditions and there's a 20 year thing attached to that BER, Building Education Revolution, funding. So if a school were to close, for example, within the 20 year period there's a proportion of that money that has to be returned but within the conditions of that, it was very clear that those schools – and Rudd made this very clear at the time, that those schools, the provisions of new libraries, you know, new science facilities or whatever the facilities were, had to be made available for public access.

**MR SEIBERT:** And how is that enforced, do you know? Is it - - -

**DR DUNCAN:** Look, I think if there's a request to a school to use the facilities, most schools will generally say yes. I mean, assuming all the compliance things are ticked and there's proper security and proper lighting and there's proper cleaning and all of those things associated with that.

**MR SEIBERT:** Okay.

**DR DUNCAN:** I don't think it's policed in a – you know, in a supervisory sense but yes.

**MR SEIBERT:** Yes. Okay.

**DR DUNCAN:** But schools generally, you know – well, I thought I referred to this in the submission. That sort of the community nature of schooling is really kind of critical and we've lost a bit of that in, I think, the language of modern education policy.

**MS ABRAMSON:** Can I just ask you, just a follow-up from what Krystian was talking about, I'm very concerned about compliance burdens but schools already make a very large amount of reporting to governments at various levels.

**DR DUNCAN:** Yes.

**MS ABRAMSON:** So if you had this requirement – say you went down that path and you said needed to be made available to community or whatever, you would be able to put something into the reporting mechanisms, I assume. Hypothetically.

**DR DUNCAN:** Well, yes. I think so. Yes. Look, I'm not quite sure of the best way to administer it but - - -

**MS ABRAMSON:** Yes.

**DR DUNCAN:** But, yes, there would be a process surely - - -

**MS ABRAMSON:** Yes.

**DR DUNCAN:** - - - that somebody could lodge a complaint that somebody made a reasonable request for access to the school facility. It was – you know, there could be grounds for denying, of course.

**MS ABRAMSON:** I was thinking slightly differently and this is a hypothetical.

**DR DUNCAN:** Sure.

**MS ABRAMSON:** We're just exploring an idea. But something like you could say in your reporting at whatever level that we offer these facilities for this portion of the year to so many people or whatever.

**DR DUNCAN:** Yes. Well, yes. I mean, schools get compliance reports everywhere.

**MS ABRAMSON:** I know.

**DR DUNCAN:** So – yes. I mean, yes.

**MS ABRAMSON:** I personally know that. Yes.

**DR DUNCAN:** Yes. Sure.

**MS ABRAMSON:** No. Thank you very much.

**DR DUNCAN:** Yes.

**DR ROBSON:** Thanks very much.

**DR DUNCAN:** Okay. No.

**DR ROBSON:** Yes. For your time. We really appreciate it.

**MS ABRAMSON:** Thank you.

**DR DUNCAN:** Thank you for the opportunity and good luck with the inquiry. I mean, it's a very worthwhile - - -

**MS ABRAMSON:** Thank you very much.

**DR DUNCAN:** A very worthwhile thing. So thanks for the opportunity to add to the discourse.

**DR ROBSON:** Thank you.

**MS ABRAMSON:** Thank you.

**DR ROBSON:** Thanks. Really appreciate it. We will have another break and come back at 3.30.

**ADJOURNED**

**[3.05 pm]**

**RESUMED**

**[3.31 pm]**

**DR ROBSON:** Okay. We'll get started again. So thank you very much for coming along. If you could please, for the record, state your name and the organisation that you're from, and then if you'd like to make an opening statement, we're happy to hear that and then we will get into the questions. So thank you for coming.

**MS S. ASHTON:** Thank you.

**DR ROBSON:** Welcome.

**MR S. BARTLETT:** Thank you very much .....

**MS ASHTON:** Thank you so much.

**MR BARTLETT:** Yes. So I'm Steve Bartlett and I serve as Director of Ministries with NSW and ACT Baptist Association: basically, a network of 350 or so churches, and also welfare and other organisations that are part of that movement in New South Wales, and so I lead the state team. And Shelley is part of my staff.

**MS ASHTON:** Yes, so I'm on staff as the SRE representative for the Baptist Association and help authorise and train teachers in Baptist churches across New South Wales.

**DR ROBSON:** Would you like to make an opening statement or not?

**MR BARTLETT:** Yes, I - - -

**DR ROBSON:** Yes.

**MR BARTLETT:** If that's okay. Yes.

**DR ROBSON:** Please go ahead.

**MR BARTLETT:** Thank you.

**DR ROBSON:** Yes.

**MR BARTLETT:** Yes. Thank you and really appreciate the opportunity to present some thoughts to you, and you will have seen from our submission that it's brief and it's focused in a couple of main areas, so I will just focus my attention on those things briefly. First of all is – I will come to SRE in a moment, but first of all, the issue of the basic religious charities and the recommendation in the report of the removal of the exemption around the BRCs. And I guess for us in particular, we would have some concerns around that.

The – I think of the 2018 review of the ACNC Act itself, which did first surface that whole idea of “perhaps that could be wound back”, and – but one of the very clear caveats to that, that was

in that review, was that the provisions that are currently in the ACNC Act for the Commission to suspend or remove or reappoint different responsible entities, responsible persons – essentially leaders or governance people – in BRCs would need to be removed if the BRC exemption was going to be removed, and that – like, we don't see that in the Productivity Commission's recommendations.

And I guess for us that presents some really fundamental questions around freedom of expression, knowing that persons who, you know, come together in community organisations to live out faith together do so in community, and part of that is the way that they elect those who will lead them, and for that to be potentially taken over by government is something that we are – we're quite uncomfortable about. And I think it's quite unprecedented, and probably is why the exemption has been there till this point in time.

And so we think of, you know, places in our own Constitution, section 116, where freedom of religion and of religious expression gathering is quite clear, and the – and some of the international treaties to which we're a part, which I've made reference to in the submission. So that is of concern for us. So that's out of recommendation 7.1. Then probably to make some comments into the SRE or the education space for a few minutes, so focusing in now on recommendation 6.1.

Let me make a comment first around the school building funds: a suggestion that the loss of DGR would happen for school building funds. We know that that would disproportionately impact our faith – the faith-based sector because most of the schools that would be impacted by that are faith-based schools. We know that the vast majority of capital expenditure is not provided by government for that very big sector; it's reliant on philanthropic support and so that is something we feel is quite a significant issue.

I guess, too, the – we saw a number of times in the draft report where there seems to be a wanting to be a case made around the possibility of private benefit, and we understand the importance of making sure that the DGRs aren't just funnelling into what otherwise provides private benefit. But we didn't see, really, any data or rationale within the report for the – that would substantiate that and our own sense would be that is not, in fact, what's happening. So we've got concerns around that.

The last piece is, of course, around SRE, which in New South Wales – special religious education. We realise that's not a national thing but it is a very significant thing in Sydney and for us, we do train and support literally hundreds of volunteer teachers who teach in our schools across the state, and we also supply one of the two leading national primary curricula, which we've just redone in the last couple of years and at significant expense. We provide it free or – sorry, there's no cost to schools to use it, and we – the provision of it in schools is by – when it's bought by churches or other organisations to allow it to be used.

So the significant hundreds and hundreds of thousands of dollars cost to do that would just not have been possible without DGR status. Now, most of this – most of that was raised through significant fundraisers who – they – who – sorry. Fundraising. A little bit of mum and dad stuff, but in large measure, people for whom the DGR was absolutely essential and that was the only way it was able to come off. But of course, that presumes that there's a public benefit for SRE and I realise that in some circles that's contested.



For us, we – I just would like to point to – and I’ve pointed to one lot of research by Gross and Rutland in my submission, which looks to the broader, very significant community benefits of SRE in terms of values education, in terms of protections around people understanding better the nuances of whatever it is that their faith is and how that might be best expressed in a vibrant and thick multicultural society.

And those are all broad community benefits that our schools and our broader communities benefit from. There are clear connections in the research between a thick understanding of your cultural identity and your religious identity, and mental health and wellbeing, especially amongst emerging generations. And SRE finds itself to be a – often a place that’s – a safe place for people who might be actually experiencing some pressure because of whatever particular belief it is that they’ve decided to adopt.

I also do note that, as we understand the report, that we also have ethics education in New South Wales, exactly – set up on exactly the same basis as SRE, and there’s no mention in the report that SEE, special education ethics, would have, under these proposals, its DGR removed, so thereby entrenching another inequity across our schools. I know Shelley – there’s - - -

**MS ASHTON:** Yes.

**MR BARTLETT:** Yes.

**MS ASHTON:** I mean, Steve has covered a fair bit of what I wanted to just reinforce, but I think just for me personally on the coalface of SRE, working with – for us, about 500 teachers across the state, knowing and hearing stories each week about the importance that SRE is placing on local communities, particularly during the COVID period. A number of churches – many faith communities were able to support schools during the lockdown period above and beyond their role as SRE, and even in the chaplaincy space as well.

And I hear quite regularly, through the training that I run, teachers giving me stories of where they’ve heard firsthand students have told them that they find SRE is the only safe place for them in the school context because they are dealing with bullying and vilification across the broader school community, and SRE is often the place that they can go and feel welcomed without judgment and have the opportunity to be able to explore what faith means for them in a personal way, and without pressure from the SRE teacher. And I think, as Steve said too, one of the key things for us is we have a number of people that donate towards the SRE in a number of different areas through training, like supporting SRE teachers in their training.

The vast majority of SRE teachers across the state are volunteers. They are not paid. We do have some paid, but the vast majority – so there are over 11,000 volunteers that go into schools across many faith groups and supporting SRE on a week-to-week basis, and people will donate towards the funding of resources. So teachers will be presenting curriculum, approved curriculum. That is at no cost to the Department of Education and that is fully funded through donations and other means. So that – I think that’s a really important thing to reiterate, what Steve said.

And I think also, just to highlight the fact that SRE is parent choice. It is something that parents make a decision for their children to attend and by doing so they recognise that faith learning is an important part of their overall development, and again, bringing in the wellbeing, mental health side of things, I think it’s important to understand that SRE does provide that and not just in the Christian context, which we’re representing, but all the faiths that come in and teach special religious education in New South Wales schools. So I

think removing the DGR is actually going to be detrimental in terms of the amount of people that – in the community that support SRE, both in providing funds towards training and also funds towards the curriculum that we provided at quite a significant reduction of cost to those that are using it.

**MR BARTLETT:** So I guess – probably just finally, we – we’re really supportive of the principle of looking at the whole sector and how it can be made simpler and, you know, equitable and more effective, all of that sort of stuff, and the work that’s done here around new areas that might be – yes, of philanthropy that might be able to be opened up to – we support all of that. But what we noticed, and I think it’s on page 9 and is the telling graph, that – and even on the – even in the main report, and I think it’s around page 200, that talks about the fact that the Commission doesn’t really expect that if these changes were coming to – or coming – going to come into effect, that there would be an enormous difference in the – in the total amount of philanthropy. It would just be a change in composition, which for us is problematic because we understood that the point of this was to see how we could raise philanthropy, not discourage some and encourage new philanthropy. We would support the encouragement of new philanthropy. Not at the expense of that which is currently there. Yes. Yes.

**DR ROBSON:** Thank you very much and thank you for those comments. So I guess that the outset, you know, we should just reiterate that – you know, it’s in the report and we said it this morning – that, you know, the Commission does recognise the valued role that religious organisations play in the Australian community and also the role that faith and value – religious values play in philanthropy, both in terms of donating as well as the charitable activities. So, you know – and as you said, Steve – sorry, if I can call you Steve. **MR BARTLETT.**

**MR BARTLETT:** No, that’s fine. Steve is fine.

**DR ROBSON:** You know, we were faced with this problem coming – well, the issue coming into this report was that, yes, the government has this goal of doubling giving by 2030, but when we looked at the DGR system, we found a system that was, you know, difficult to find a coherent policy rationale for them. It has been around for so many years; it’s not based on principles. So what we – the way we approached this was to develop some principles and then apply them, and so the – this is the result that you’re seeing, that we do take your comments on board and we’re keen to explore those with you. But I might just hand over to Krystian. He has some questions on BRCs and then we’ll get to special religious education and the - - -

**MR BARTLETT:** Okay.

**DR ROBSON:** - - - other issues that you raised.

**MR BARTLETT:** Good. All right.

**MR SEIBERT:** Yes. Thank you very much for taking the time to appear today and share your perspectives. Just on the basic religious charity exemption within the ACNC regulatory framework, is your main concern – and I have a copy of your submission, so thank you. Is your main concern that – about the power of the Commissioner of the ACNC to suspend, remove, appoint responsible persons? Is that the main concern, about the consequences of removing that exemption?

**MR BARTLETT:** Well, we, in our submission, noted a couple of different concerns, but that would be the highest concern we have. We get the appropriateness of reporting. We think there needs to be some really – there would need to be some really good thinking about what’s appropriate for, essentially, very small charities with limited – or limited administrated capacity and – yes. So we have questions in that area, but yes, it is fair to say that our in-principle sort of greatest difficulty is with that power. Yes.

**MR SEIBERT:** And I’ll come to reporting in a second, but just on that question about the power to remove the responsible persons: if there were steps taken to sort of limit that power, for example, under state regulation of charities – there has to be a court order, for example, to remove a director or a trustee, etcetera – so if there were sort of limitations placed on that, such as requiring a court order or something like that – it’s quite a high threshold – because at the moment there isn’t a requirement for that, would that go some way to addressing your concerns?

Or is it that you don’t see any reason why a responsible person should be able to be removed, even by a court – where there has been – because this is ultimately only going to apply where there has been sort of breach of governance standards. That sort of thing. So I note the comments around the – section 116 of the Constitution, but the interpretation of that provision in the Constitutional orders does allow the government to regulate entities to achieve legitimate public ends in terms of community interests and that – safety, that sort of thing. So yes, is it that you just think that there shouldn’t be any power at all, or you’d be comfortable with a limited power such as court order?

**MR BARTLETT:** Sort of a higher threshold sort of – yes. Yes, sure. Sure. Well, I mean, of course – I mean, churches are – like everyone else, are – the laws of the land apply to – in – you know, to those organisations as they do everywhere else. For us, look, almost all of our 350 churches are unincorporated associations, membership governed.

**MR SEIBERT:** Yes.

**MR BARTLETT:** So there is already significant accountability. It’s – the – those who are part of the faith community who decide – and who their leaders will be. And that’s a significant part of how we understand faith.

**MR SEIBERT:** Yes.

**MR BARTLETT:** So to have that – the capacity removed is not simply an administrative or a compliance issue. It’s a faith issue. And so that – yes. That would be our greatest – we’re – well, our greatest difficulty. We have no problem with accountability and if there are mechanisms that – I guess we would say that we have significant internal mechanisms already in that space, and not the least of which is that it’s a member-driven organisation and – so everyone is accountable on a very regular basis to the entire membership of that local organisation. So it’s – there’s nothing sort of – yes. There’s no particular powers of people who are in those places of influence and leadership that means that they’re set up for life or there’s, you know - - -

**MR SEIBERT:** Sure.

**MR BARTLETT:** - - - anything like that. Yes. So that would be our greatest difficulty.

**MS ABRAMSON:** Could I just - - -

**MR SEIBERT:** But – yes.

**MS ABRAMSON:** A question. Could I just ask a question on exactly that point.

**MR SEIBERT:** Yes.

**MS ABRAMSON:** So is the – and I apologise. I don't know the answer to this and we're grateful for you appearing. But is the Baptist faith organised differently, say, from the Catholic faith, which is organised by parish and, you know, their schooling system? So is there something about the Baptist faith that's different?

**MR BARTLETT:** Yes. No. Thank you. I appreciate the question. In terms of structurally, the main difference would be that the Baptist faith and other of the Protestant faiths are what we would loosely think of as more of a network. So you've got, you know, essentially independent churches that choose to band together in an association. So it's not a hierarchical thing. So I'm the state leader for the Baptist Association.

**MS ABRAMSON:** Yes.

**MR BARTLETT:** We support 350 churches. My counterpart is the archbishops of the Anglican and – but no one calls me the archbishop. So I'm a servant of the central entity that supports our churches. So it's more a network arrangement. Yes.

**MS ABRAMSON:** Thank you. Krystian.

**MR SEIBERT:** Yes. Just on reporting, because you said that many of your members are small entities, because they – you may be aware that the ACNC reporting thresholds changed and now - - -

**MR BARTLETT:** Changed, yes.

**MR SEIBERT:** - - - an entity is a small entity if its annual revenue is \$500,000 or less and the only requirements imposed on them are basic sort of financial information. They don't have to submit sort of financial reports that comply with the accounting standards. So that is already the case for those small entities. So would that not address the concerns around sort of reporting? Because I imagine as well, and I don't want to put words in your mouth, that entities would do bookkeeping and keep track of records, so – yes, would – does that address that issue around sort of reporting burden?

**MR BARTLETT:** In terms of the – for small entities, having a reporting burden that's a very clear and concise – that is something that we don't have a great issue with. We feel that accountability is appropriate. We're – the churches are doing it to their own memberships anyway. So – but we'd want to be really careful around what happens – see, it doesn't take much for a church entity to slip over, you know, sort of say the half a million mark.

You're only talking about employing a couple of staff and renting a building or maintaining a building, basically. And so those are still quite small entities, and once you're getting into that – those, you know, higher thresholds, obviously the requirements change. So yes, I think – I mean, I'd love to be part of some ongoing conversation about that. I think we applaud

accountability. We don't run from that in any way. But there – the thresholds are something that would need careful consideration, I think.

**MR SEIBERT:** So when you have, say, members that might, say, have \$700,000 in revenue, do they prepare – because you can prepare financial statements voluntarily as well, internally, to comply with accounting standards.

**MR BARTLETT:** Yes.

**MR SEIBERT:** Or is it – yes, what are the practices that you use - - -

**MR BARTLETT:** Yes.

**MR SEIBERT:** - - - at the moment?

**MR BARTLETT:** Yes, they would – the financial statements are prepared internally. They're – you know, all of our churches have AGMs.

**MR SEIBERT:** Yes.

**MR BARTLETT:** Presented at the AGMs.

**MR SEIBERT:** Yes.

**MR BARTLETT:** There's – a treasurer is appointed. Those sorts - - -

**MR SEIBERT:** Yes.

**MR BARTLETT:** - - - of things. Yes. Where churches have, you know, needs in terms of support in there, we do support them directly in terms of the expertise to do that. Probably about a sixth or a seventh of our churches, we do that.

**MR SEIBERT:** So the issue, I suppose, would be more for those that might be small but then they might cross over into medium or large, because the ones that are already medium or large would be doing the financial statements - - -

**MR BARTLETT:** Correct. Yes.

**MR SEIBERT:** - - - in accordance with the different - - -

**MR BARTLETT:** Yes.

**MR SEIBERT:** - - - standards. Okay. Yes. Did you want to - - -

**MS ABRAMSON:** Yes, I've got a couple of questions. Thank you. Shelley, you mentioned before, and if it's not something you can give us we understand, but you talked about the actual cost of providing the services into schools and the number of volunteers. If you could give us data on that, we'd be very grateful.

**MS ASHTON:** Sure. I could speak in terms of the curriculum that we produce and I believe the current curriculum that we've just been working through. We're in the third year of the new cycle. I think it's costing us million-plus to produce that curriculum and that's in addition to, I think, the support that we're – you know, people are giving funding towards. In terms of just grassroots costing for actual teachers, we try and minimise the costs as much as we can, as far as them attending training, and each organisation that offers training will have a slightly different costing system.

But for instance, in our case we would charge a teacher around \$70 to complete our full course of training and then that will be valid for three years, and then there will be, in three years time, an additional small cost to update their training. And in a lot of instances people will be giving donations towards that, because as I said before, a number of our – pretty well most of our teachers are volunteers and a lot of them are retirees.

**MS ABRAMSON:** Yes.

**MS ASHTON:** So they're not – they don't have income and so the capacity for them to pay for themselves is limited. So that's kind of, I guess, a grassroots understanding of the costing.

**MS ABRAMSON:** That sounds very heavily subsidised - - -

**MS ASHTON:** It is, yes.

**MS ABRAMSON:** - - - for what the cost - - -

**MS ASHTON:** Correct.

**MS ABRAMSON:** - - - of the course would be. Thank you.

**MS ASHTON:** Yes.

**MS ABRAMSON:** The other thing – and it's not because I think this; I just want to test a proposition with you. You said that the SRE provides a safe space and it deals with mental health issues. In another report that the Commission did into mental health – there was a Commissioner on that – we put a great deal of emphasis in appropriate mental health supports within the schools themselves.

**MS ASHTON:** Yes.

**MS ABRAMSON:** So I'm not for one moment saying that you don't provide those services, but there is an argument to say, well, actually this should be funded in a different way and you're picking up something which – because no one else is doing it. So I'm just kind of interested in your comments, whether, you know, as I said, you're doing something which we would in other circumstances say, well, mental health professionals should be doing that.

**MS ASHTON:** I don't – I'm not sure I actually stated that we were – we're doing it because no one else is doing it. I think we're doing it - - -

**MS ABRAMSON:** No, no. You didn't. You didn't say that.

**MS ASHTON:** No. Okay. Then – just to clarify that. I think we’re providing it in the context of faith.

**MS ABRAMSON:** Yes.

**MS ASHTON:** And understanding a more holistic approach to how to deal with life, how to deal with issues that are coming up in life, offering the opportunity for students to see hope in what could be considered a hopeless situation in their life. So we have a number of SRE teachers that are actually working in dual roles in schools, in public schools. So some of them are working in a chaplaincy capacity.

**MS ABRAMSON:** Yes.

**MS ASHTON:** And we also have a number of our teachers that are working in SLSSO roles as well, and so I think for us, SRE is providing an additional benefit to that space in terms of wellbeing and mental health.

**MS ABRAMSON:** No, I understand. You’re doing it in a faith-based context. I understand that. Thank you.

**MR BARTLETT:** And I think there’s also a specific sort of – in terms of – for us as faith-based organisations more broadly, just the importance of cohesion within the community and part of that comes through you understanding the nuances of your faith, which lead not to destructive ways of thinking but constructive ways of thinking and how to build bridges.

**MS ABRAMSON:** Yes.

**MR BARTLETT:** And certainly, the research would suggest that a nuanced understanding of faith leads you in that direction, not in a radicalised direction, and I think that’s a really important space to be in. Yes.

**MS ABRAMSON:** No, thank you. Thank you.

**DR ROBSON:** I might just come back to the topic we were on before around BRCs and – yes, Krystian put to you. You know, this idea of having to have a court order for removal. Is – and the higher threshold. You know, is that something that – and maybe not putting you on – well, I am – guess I am putting you on the spot. You know, is that – what’s your response to that directly, I guess? Is it – I mean, you don’t – you know, we’re just interested in exploring this idea.

**MR BARTLETT:** ..... yes.

**DR ROBSON:** Because it has come up before.

**MR BARTLETT:** Yes.

**DR ROBSON:** And, you know, we’re interested in seeing whether that’s something that, you know, people could live with or are we going down the wrong track, or - - -

**MR BARTLETT:** Yes. Sure.

**DR ROBSON:** Yes.

**MR BARTLETT:** Sure.

**DR ROBSON:** Just - - -

**MR BARTLETT:** I guess the question I would ask is, is there evidence or data that this has been a problem and to what extent. And if there is a significant problem, we need to address it. I'm not aware that there is and certainly I'm not aware in our – I can't speak across all faiths, but I - - -

**DR ROBSON:** Yes.

**MR BARTLETT:** - - - can speak for us that I'm not aware that it is.

**DR ROBSON:** Yes.

**MR BARTLETT:** As I said, there's a lot of internal checks and balances. I think, too, for us, if it was just a matter of degree, that would be something that, you know – certainly, you know, a good conversation could be had. There is an in-principle issue here, as I mentioned before, and I won't repeat around what it – how we understand how leaders are chosen and understood.

**DR ROBSON:** Yes.

**MR BARTLETT:** That's broader - - -

**DR ROBSON:** I appreciate that.

**MR BARTLETT:** - - - than simply a – now, that doesn't give anyone a licence to break the law.

**DR ROBSON:** Yes.

**MR SEIBERT:** Right.

**MR BARTLETT:** But it means that the way we understand that is particularly a part of how we practice faith. Yes.

**DR ROBSON:** Yes. Okay.

**MR SEIBERT:** I think one of the challenges here is that there is – there are requirements that apply to charities more broadly and then there is particular exemption, and there's no publicly stated policy rationale for it in terms of in the context of when it was introduced. So although there's – your point – I take your point around sort of what's the evidence of a problem or wrongdoing, but we have an exemption where sort of one group of charities are not subject to certain requirements, but then all the other charities are, including many religious charities that are not basic religious charities.

So I think the challenge is that if you're looking at how something applies consistently, then you would think, well, it should apply to every type of charity. But we do take your point, though,



around sort of, you know, reflecting sort of the autonomy of religious communities as well. But yes, I think that the point around sort of a court order or something like that is whether, sort of, it – in those rare instances where it might be necessary, that power is there, nothing that it can help support trust and confidence within the community in charities as well. Do you have any comments or reflections on that?

**MR BARTLETT:** I probably don't have any further comments other than - - -

**DR ROBSON:** Okay.

**MR SEIBERT:** Okay.

**MR BARTLETT:** - - - what I've raised. Yes. Thank you.

**DR ROBSON:** Do we want to talk about school building funds? We've got time.

**MR SEIBERT:** If you can. Yes. If you - - -

**MR BARTLETT:** Yes.

**MR SEIBERT:** Yes.

**DR ROBSON:** Yes, interested in your views on the school building funds and appreciate, you know, the impact on the faith-based schools and the sector. I mean, one of the issues we explored in the report was that because it's a tax deduction and the size of that deduction depends on someone's marginal tax rate, that, you know, you could be in a very high-income area, parents are donating to that school, and per dollar of donation they get a lot more back, whereas if you're thinking about it from a needs-based point of view and public support based on need, then schools in a poorer area or with lower income parents, they've got a lower marginal tax rate and so therefore, you know, the benefit that they get from having that. Sorry. Just interested in any thoughts you have on that, because that's really – well, it's part of the issue that we confronted when looking at DGR in this context.

**MR BARTLETT:** Yes.

**DR ROBSON:** Yes.

**MR BARTLETT:** Yes. I may have some – I'll probably have some great reflections after I leave the room on that. Two - - -

**DR ROBSON:** That's all right.

**MR BARTLETT:** Two things to – first of all, I wonder the extent to which there's a presumption that donations to school building funds come from current parents, and, of course, that – you know, I'm not saying you're saying that, but that's - - -

**DR ROBSON:** Yes.

**MR BARTLETT:** - - - certainly not the – exclusively the case or even - - -

**DR ROBSON:** Yes.

**MR BARTLETT:** - - - perhaps in many instances, the majority of the case, and so – so there’s that point. I think, too, the – there’s already built in to the grants processes for capital works for schools, you know, eligibility based on the sector of the school, the needs of the school, you know, and so we know that some of the schools that have capacity to raise funds through the – you know, the incentive of tax deductible giving, in fact, you know, are less likely to have their capital works funded by the Government than those who are in communities where that fundraising is harder. So I feel like there’s already provisions there around that. What it does do is incentivise giving at a grassroots level not only for current, but for alumni, and a broad range of people who might not be able to have given when their kids were there, but actually, in the years that follow, they maintain a relationship with the school, and they are able to give then, and so – yes – it allows greater access, I think, to a network of support for the school in the community at the time. Yes.

**DR ROBSON:** And do you have any comments on, you know, the extent to which this would impact fees for parents. Is there a – you know, a trade-off there of where if – so if schools were to lose – school building funds were to lose DGR eligibility, what that would do to fees.

**MR BARTLETT:** Yes. Sure. Sure. I don’t have hard data on that.

**DR ROBSON:** Okay.

**MR BARTLETT:** So I would be talking anecdotally. Yes.

**DR ROBSON:** Yes.

**MR BARTLETT:** But I do think that – again, the school building funds, you contribute them – you’re probably contributing to work that will happen in the years ahead. Perhaps your own children won’t even be at the school at that point in time. So these are long-term things. It’s about how the school is seen in the community, and amongst those who, because of their faith commitment, want to give support there over a significant period of time. Yes.

**DR ROBSON:** Yes. Okay.

**MS ABRAMSON:** Just on that point, do you have some data about where your donations – where donations to school building funds come from. Like, you’ve spoken about alumni and – have you any data on that.

**MR BARTLETT:** I don’t offhand, but I can certainly - - -

**MS ABRAMSON:** That would be grant. Thank you.

**DR ROBSON:** Yes.

**MR BARTLETT:** - - - certainly follow that up. Yes.

**MS ABRAMSON:** Thank you.

**DR ROBSON:** Any further questioning. No. None from you.

**MS ABRAMSON:** No. That has been really helpful. Thank you.

**DR ROBSON:** Thank you very much.

**MS ABRAMSON:** Thank you. Really appreciate.

**MR BARTLETT:** All right. Thank you.

**DR ROBSON:** Yes. Yes.

**MS ASHTON:** Thank you, kindly.

**DR ROBSON:** Yes. Appreciate it.

**MR BARTLETT:** I really appreciate the opportunity.

**MS ASHTON:** Thank you for the time.

**DR ROBSON:** Thank you. Okay.

**MS ABRAMSON:** And thank you for appearing late in the day, too. We're very mindful of - - -

**MR BARTLETT:** That's all right.

**DR ROBSON:** Yes.

**MS ABRAMSON:** - - - of that, and grateful.

**MS ASHTON:** Thank you. You've had a long day already.

**MR BARTLETT:** We haven't been here all day, so – yes.

**MS ASHTON:** Thank you, kindly.

**DR ROBSON:** Thank you. Have a great afternoon. Tom, is it. Tom.

**DR L. SCANDRETT:** Tom and Laurie.

**DR ROBSON:** Sorry. Okay. Yes. Please.

**DR SCANDRETT:** Good afternoon.

**DR ROBSON:** Thank you for coming. Good afternoon.

**DR SCANDRETT:** Pleasure.

**DR ROBSON:** So if you could please just state the – your name and organisation that you're from for the record, and then if you would like to make an opening statement. We like to welcome you.

**DR SCANDRETT:** Shall do. I am Dr Laurie Scandrett. I am the chair of ICCOREIS, which is an unfortunate acronym. The Inter-Church Commission for Religious Education in Schools, which is the peak body in New South Wales of the approved providers of SRE, of which there are about 100. Over – about 80 of those are Christian, and the others represent the other states. Tom.

**MR T. EASTLAKE:** Tom Eastlake. Executive officer of the Inter-Church Commission on Religious Education in School.

**DR ROBSON:** Thank you.

**DR SCANDRETT:** And - - -

**DR ROBSON:** Would you like to make an opening statement.

**DR SCANDRETT:** We will just - - -

**DR ROBSON:** Okay. Yes.

**DR SCANDRETT:** - - - jump in. If you don't mind, I just heard your last few questions about school building funds.

**DR ROBSON:** Okay.

**DR SCANDRETT:** Nothing to do with ICCOREIS. I just spent 17 years – I was the CEO of the Anglican Schools Corporation, and I have – if we have time at the end, we - - -

**DR ROBSON:** Absolutely.

**DR SCANDRETT:** - - - I would be happy to - - -

**DR ROBSON:** That would be - - -

**DR SCANDRETT:** - - - talk about that to - - -

**DR ROBSON:** Very happy to - - -

**DR SCANDRETT:** - - - a small extent. So that just happens to be part of my background.

**DR ROBSON:** That would be good. Go ahead.

**DR SCANDRETT:** Tom.

**MR EASTLAKE:** So thank you for the opportunity, particularly to hold an event in Sydney. I know it wasn't originally on the plan, but we very much appreciate the opportunity to come up. I won't reiterate the submission that ICCOREIS has lodged, so to save us all time, but just to – perhaps just point to a thing that quite critical in understanding. The public education system in

Australia, it seeks to provide access to high quality education to everyone regardless of background, socioeconomic status, geography, location or belief. The 2019 Alice Springs Education Declaration sought to set out a vision for world-class education in public schools in Australia, and that encourages to support every student to be the very best they can be, no matter – and this is quoting directly from the opening statement of the declaration – to be the very best they can be, no matter where they live or what kind of learning challenges they may face.

So the declaration laid out a series of objectives to be pursued in providing world-class public education in Australia. So this seeks to provide to all students, and to provide the equal opportunity and access to education for everyone, and goal 1 of the declaration states that the Australian education system promotes excellence and equality, assuring that public education promotes and contributes to a socially cohesive society that values, respects and appreciates different points of view, and cultural, social, linguistic and religious diversity. And goal 2 of the declaration seeks to support a student becoming active and informed members of the community who appreciate and respect Australia's rich social, cultural, religious, and linguistic diversity, and embrace opportunities to communicate and share knowledge and experiences.

Further, that students have an understanding of Australia's system of governance, its histories, its religions, and its culture. And this very much intersects with the New South Wales public education system in which ICCOREIS operates in New South Wales that seeks to very much – and has always – sought to operate within that model in that the public education system in New South Wales was designed to be secular as defined in the Act of 1880 to be non-sectarian, is that no one sect would own public education, and, indeed, today, as Laurie has pointed out, we have 100 providers. We have them across all different faiths, and I can take you to schools in greater Sydney right now where we have Islamic, Jewish, Baha'i, Buddhist, Seikh, Orthodox, Christian, and secular primary ethics all operating in the same school.

That every single faith has a tangible presence in that school where it's said that all – where's it said that all faiths are welcomed here, all governed by the principle of parental choice, and that that is perhaps the model for not just multiculturalism and religious diversity, but the welcoming of all students into a public education system which in New South Wales has five pillars of student wellbeing that holds up the student wellbeing framework, and one of those pillars is spiritual wellbeing. And in Australia we have an interesting case study where, in Victoria, religious instruction was removed from schools in 2011, and despite promises of those who would say that religious instruction should be removed from schools, one of the promises was that general religious education would take the place in structured, organised weekly lessons in public schools, which hasn't happened.

So those poor students in Victoria, if they want to bring their faith into the school, they have no framework within which to do so, and in their – and a year removed from when five Jewish students took the Victorian public education system to court and successfully won, that they did not support their students in their religious diversity, I think this is something that we should take very, very seriously. Laurie.

**DR SCANDRETT:** Yes. A couple of other opening comments. Australia – modern Australia is based on Judeo-Christian values. It's certainly in my opinion. I hope everybody else would agree. A key one of which is love your neighbour as yourself, which is often put in the – described as the golden rule. Sort of do unto others as do unto you. Now, that's a particular Christian value, and I think this country has stood well by that as it has developed over the last 200-and so years. I do acknowledge the – our indigenous brethren. The point of that, we're –

New South Wales has the best provision of religious education in Government schools in the country, and although it's a constant – in effect, you had – you need to keep agitating for it to maintain it, and there are opponents – quite strong opponents, and – but interestingly enough, the – New South Wales seems to have the most – I will use the term – the happiest multicultural society in New South Wales, and I put a lot of that down to what is taught – what is openly taught in the public school system.

So you can be a Muslim child – a child from a Muslim family, go to your local public school and receive instruction once a week. That's all. 40 minutes or so in the basics of the Muslim faith, but you are receiving that from – one of the ..... way to say it is non-radicals. People who are of generally a conservative discipline, and volunteers. Volunteers. This is something that, I think, needs to be recognised, is the people who provide SRE in New South Wales – special religious education – or religious education – is one of the largest volunteer forces in the country, and I will probably come back to it, but I think that's a potential – something that might be sort of incorrect in your draft report. But that's – that will do for the moment.

**DR ROBSON:** Okay. Thank you. I might – yes – ask you about a few questions on this. Without wanting to comment on the Victorian situation that you mentioned, I think it's fair to say that the Commission would say that there is, obviously, a role for Government in the – yes – funding and provision of education. The question that we're interested in in this report is the DGR arrangements, and so, Tom, I think you've been in the room. You probably heard me say this a couple of times today, but – yes – we confronted a system, when we looked at it, where it was difficult to justify on – from a coherent policy principle point of view, and so we developed some principles, and then applied them.

So, I guess, the – you know, my initial question is what's your reaction to those principles. You know, do you think they're reasonable, and is it more, in your case, that you're saying that the application of the principles that we've got wrong, and then – you know, and if so, yes, how, and then particularly from the point of view of, you know, the real question, I guess, we're confronting is appreciating that there may be a role for Government support for the kinds of things you're talking about. Let – for the sake of argument, let's take that as given. What – is DGR status the best way of doing that, noting that, you know, there might be problems with Governments making grants in this area, or other forms of support. So interested in your perspective on those issues.

**MR EASTLAKE:** So I – yes. The – any reference to Victoria was more referencing what the peril is to a public education system in that when the option for religious education in a Government school is no longer there.

**DR ROBSON:** Understood.

**MR EASTLAKE:** So not about - - -

**DR ROBSON:** Yes.

**MR EASTLAKE:** - - - thinking that the Productivity Commission has any say on Victorian Government policy. That's not my case. I think one of the questions – and it came out of some of the other things today, and I think that the – to establish an equitable and clear framework is an admirable goal, and one that I would have no problem with. It's not the – it's not the review of a convoluted system that has existed in the past. It's how do we – the – how to set up the principles of an equitable system into the future. So – and it's a – you know, I'm here answering

questions, but it is a question that has come up throughout the day, in my mind, is there has been a lot of request for data, and that's a reasonable request.

But the burden of proof is on the people seeking – on the organisation seeking to maintain a status – or maintain a position that is potentially going to be removed from them. So I had the question of where does the burden of proof lie, because in a matter of SRE the – it could be, okay, well, you know, we have a need for more data for SRE to maintain the position that it has, for example, with DGR status, and a question, well, why does SRE have the burden of proof when the Productivity

Commission has been the one who has made the accusation. So I don't see any – just – and I'm not targeting anybody. I'm not – for the people gathered, I'm a boy scout. I was a boy scout for many, many years. Boy scouts have DGR status for 50,000 national boy scouts.

I can point you to 100s of 1000s of students who choose to come in each week, into SRE classes, and it's all governed by if you want to choose to do it, you can come into the class and you can participate in those classes. Just like if you want to choose to be a girl guide or a boy scout, you can choose to do those things. That's not a problem in the wide world. It is an equitable platform, and the goal of the project is to say we need to ratify this system in a way where it's clear, and equitable, and provides widespread community benefits. That's all well and good, and I'm fully supportive of that. It's the recommendations of the report which lead to what I see in the report – in our submission that leads to an inequitable framework that, I think, is where that goal, I don't think, can be reasonably achieved.

**DR ROBSON:** I guess I would respond to that – I mean, we don't see things in terms of burden of proof in this particular case. We looked at – developed a sense of – a set of principles, applied the principles, and developed a draft recommendation, and we put it out, you know, then to say, well, what do you think about – you know, the spirit of it is, you know, have we got it right or wrong. So we're not saying, you know, this is an accusation, and you have to, you know, defend yourself. That's not the way that the Commission is working with a draft report. So, I guess, it's in that spirit we're trying to understand more, and that's why we have these public hearings.

We're trying to understand more, and the nuances, and, you know, in this particular area, we've heard about – you know, in the case of special religious education, there's volunteers, but then there's funding that goes with the volunteering, and, you know, you could say – and I think Julie made the point earlier that, well, if it's faith-based volunteering, those people might do it anyway in the absence of a tax deduction, but it's all the other things that go with it that - - -

**MS ABRAMSON:** The training, etcetera.

**DR ROBSON:** - - - yes, the training and the curriculum, and so on. So we're interested in understanding that point a bit more, and any other points on that. So, yes, I just want to put you at ease. It's not a - - -

**MR EASTLAKE:** Okay. That's fine.

**DR ROBSON:** - - - thing where we're - - -

**MR EASTLAKE:** It wasn't an accusation. It was a - - -

**DR ROBSON:** - - - yes, trying to establish a - - -

**MR EASTLAKE:** It was an open question

**DR ROBSON:** - - - burden of proof, and – yes.

**MR EASTLAKE:** Yes.

**DR ROBSON:** So it's not that at all.

**MS ABRAMSON:** The lawyer in me would like to think like that, but it's not the way the Commission works.

**MR EASTLAKE:** No, no, that's fine.

**DR ROBSON:** Yes. Yes.

**MR EASTLAKE:** As I said, it was an - - -

**DR ROBSON:** Yes.

**MR EASTLAKE:** - - - open question.

**DR ROBSON:** Yes.

**MR EASTLAKE:** Not appropriate to answer – ask that question of you during - - -

**DR ROBSON:** Yes, and, look, the thing on data is - - -

**MR EASTLAKE:** - - - when someone else is speaking.

**DR ROBSON:** - - - it's a question that we often ask because data is very powerful, but, you know, in many cases, anecdotal evidence, and stories, and individual experiences can be more powerful. So that's the spirit - - -

**MR EASTLAKE:** Fair enough.

**DR ROBSON:** - - - in which we're asking those kinds of questions. We're not saying, "Well, unless you have the data, you can't prove anything". Like, that's not what we're – so we're - - -

**MR EASTLAKE:** Sure.

**DR ROBSON:** - - - just generally interested in - - -

**DR SCANDRETT:** Okay.

**DR ROBSON:** - - - is there any data and things out there - - -

**DR SCANDRETT:** Yes.

**DR ROBSON:** - - - so we can just learn more. Yes.



**MS ABRAMSON:** And that data is super helpful for us to – like, we learnt today that, yes, all of these people are volunteers, as well most of them are as Alex said, but it’s the cost of providing training to them, and that cost is not insubstantial, and DGR funding was being used to do that. So that’s why we’re asking about the data there. We would not have – to be honest, I didn’t know that until someone said to me, “No. It’s not that. It’s the oncosts”.

**MR EASTLAKE:** Sure. Understood.

**DR ROBSON:** Okay.

**DR SCANDRETT:** Exactly. The Government regulation surrounding approval – accreditation is the word – of SRE teachers is now quite significant. They have to undergo – as Shelley Ashton for the Baptist was just saying a few minutes ago – have to go under regular training, and refreshment of that training, and every person who applies to be an SRE teacher through an approved provider has to be accredited. So there is a fair bit of paperwork, or a process to go through. Now, there’s a cost in that. Very few of the 100 or so approved providers are well-resourced. Actually, most of them operate on the smell of an oily rag, and they are dependent upon donations to keep – called a better term – the administration going of the provision of SRE that they’re responsible for, as they’re an approved provider.

The Roman Catholics are probably better resourced, but they have 11 dioceses, 11 approved providers. The Anglican Diocese in Sydney is reasonably well resourced, but the other seven diocese in New South Wales are not so well resourced, and really struggle, and it is – many of them are actually helped significantly by the Diocese of Sydney. It – it’s a movement – for want of better term – or an operation which is highly dependent upon volunteers, and will really struggle if the donations that come in to support it are – so, obviously, cut by, say, 50 per cent. You know, talking about people on the highest marginal tax rate, or whatever it is. If people reduce their giving because they’re no longer getting a tax deduction for it.

**DR ROBSON:** Yes. Okay.

**MS ABRAMSON:** I have a follow-up - - -

**DR ROBSON:** Yes. Go ahead.

**MS ABRAMSON:** - - - question.

**DR ROBSON:** Yes.

**MS ABRAMSON:** If that’s okay. You talked a bit before about the volunteers, and the number of volunteers, and there obviously has to be a framework, and we all understand that. But we’re also interested in supporting volunteering. So are there any kind of obstacles to volunteering, leaving aside what we’ve talked about with the tax, that you think having to do a different thing in every State is actually causing people to say, “Really. Well, how come I have to do all of this”. So just obstacles to volunteering.

**MR EASTLAKE:** Yes.

**DR SCANDRETT:** If I can just quickly jump in there. I’ve been thinking about this. One of the big things is people give to a charity because they believe in the charity, and they volunteer to work for the charity - - -

**MS ABRAMSON:** Yes.

**DR SCANDRETT:** - - - for nothing because they believe in the charity, and the objectives of the charity, and one of my great concerns here is these people assuming that in terms of the charity, or the approved provider of SRE shuts up shop, then all of a sudden the volunteers may go somewhere else, or often, more than what not, they may not go somewhere else. So one of my great concerns about your recommendations is you're actually going to see a reduction in volunteering in Australia, and an increase in requirement on Government grants, and I don't know if you have ever applied for a Government grant. The paperwork concerned – involved is quite substantial, and the boxes you have to tick, and reports you have to lodge, are quite ongoing. It's – for a small grant, I – I've applied for, and achieved for a few for various ..... organisations, and you sometimes wonder, for a small grant, whether it was worth the effort, because - - -

**MS ABRAMSON:** The Commission over many, many years, Laurence, has been very sympathetic around the terms and conditions of grants, and the fact that you get it for 12 months, and then you have to reapply for the same grant. So we understand that.

**MR EASTLAKE:** Just on that, and I'm not holding myself up as a beacon of volunteering, so please don't – there's plenty of people who volunteer far more than I do. However, I do teach SRE, and I – I'm also a volunteer firefighter, and I can tell – as a – in a bush brigade far from Sydney, where my little brigade is, and all the brigades around us, we are desperately running out of members, and if I was going to point – in answer to your question – just – I think the synergy between being able to give with – you know, under DGR status, to be able to give to something that sparks participation in it, I wish – honestly, I wish that the rural fire service in my area got the participation in it that SRE did.

The – like, a lot of people in our brigade, they will give to say, “Go away. I don't want to go and fight a fire”. Whereas, basically, it does intersect with what Laurie just outlined in terms of being able to give to something that you actually want to really – you know, that you believe in, whereas the rural fire service, it's a chore. You know, “Yes, there's a reality that my house might burn down this summer, and I don't really want it to burn down, so maybe I will flick some money to the RFS. But do I want to go and fight the fire. No. I would just rather have that service provided”. So that intersect – I think there is – I genuinely believe this, that in the – in reviewing that intersect between mobilising the population to actually jump in and start volunteering, as well as contributing to a cause that they're particularly passionate about that will ultimately, even if they can't do it right now, may one day in the future actually become a volunteer in, I think that SRE is a really good example of that, and I think that the reason that that works, in no small order, is because of the principle of choice that really is its foundation.

So I can go and talk about SRE to a – an audience of Muslims in my local town and say – and I've done – they say, hey, you really should start a SRE program in this school. You've got students there that would really like to be supported by it, and are not only mobilisers, they're giving. It mobilises them into action, because it's something that they really believe in. Primary ethics does this very well, as well, because if somebody's – well, they – we can't have students who want to not participate in SRE, but they need or – an option, and the Christian and all faiths providers have supported them coming in, and we support them greatly in providing that choice. But when people see that whole, we not only need to financially get this going, but we also need

to contribute in our time, I think SRE is a really good model – and SEE is really a good model of that.

**DR ROBSON:** So you said you're an SRE teacher, Tom. So tell us about, if you could – you know, obviously it has benefits for the students, you know, in the class, but one of the things we're interested in is the sort of spillover benefit. So people who aren't in the class could still benefit if – so just interested in exploring that a bit more - - -

**MR EASTLAKE:** Sure.

**DR ROBSON:** - - - and what you've seen, and – yes – interested in your views.

**MR EASTLAKE:** Well, in the school that I taught in – so you've got a plurality of choices, and you've got to have it available, but the Department of Education is very supportive of that. In fact, their policies changed just this year to say that all parents – all enrolling parents need to be aware of all their SRE and SEE options, even if they're not offered in the school, and the reason is so that they could – if there was option that they want to avail of that's not available, they can go seek that provider out and say, "Hey, could you start a program in my school for my particular student, please", and I think that that's a really, really good thing. So at the moment you've got all the – assuming you've got all the options – as I said, I can take you to schools now that have all the options available.

A parent legitimately – there's no option not represented. You can choose to not participate in it, but in a school that I was involved with, they put their – moved their SRE classes for a particular year level that was known in the school as being particularly restless, and they moved them to the start of the day. So you have SRE, you have SEE, all the different SRE options all going, and then by – and you also have alternate meaningful activities. Now, the alternate meaningful activities here, what they did was they said we want to gather all the students together and we want them to read, to settle in for the day, a particularly restless year group, and that's what they did.

With the few students – with – that was a school that majority of the students participated – the overwhelming majority participated in SRE, and SEE, but they read under structured classes. Now, if somebody wants to say, well, not all classrooms operate that. I'm happy to advocate that that's the case. But all of those students got something – got to participate in a class at the start of the day which, by the school's own admission, set up the remainder of the day, for that particular restless year group, as to have a far better outcome than their – the principle's advice to me than any other day of the week. So when done well, and we can always look to things and say, well, it's not being done so well here. Well, then that's a case to fix where it's not being done well, not to pull everything else down. Again, I could take you to a number of schools in this State where the principles, and the staff, would – let's say they would strongly advocate to keep SRE in their school. They would not want it to go. I changed school this year – not to get all personal, because I – I'm a data guy. I like to delve into the data, but - - -

**MS ABRAMSON:** Although you got cross - - -

**DR ROBSON:** It's all data.

**MS ABRAMSON:** - - - with us asking for data.

**MR EASTLAKE:** But – no, no, it was a question.

**DR ROBSON:** It's all data.

**MR EASTLAKE:** It wasn't – it was just a question.

**DR ROBSON:** That's all right.

**MR EASTLAKE:** But I changed school this year. I went to the swimming pool with my kids this – last week, on Wednesday, and I had an SRE student come to me, and he said, "Sir, why did you leave us", and I said, "I didn't leave you. I've just gone to a different school. You've got a new SRE teacher now". And, "Well, we – you know – is SRE still going to keep going". "Yes. It's still going to keep going". So – but it's that – it's – for that student, it's a – it's an important part of their week. I grew up in a different state where SRE was not part of the program, and I knew every day, when I crossed that – the front gate going into that school, that my faith stayed at home.

It was not welcome among my peers, and it was not welcome in the school, and it's a horrible place to be when you have to bury a part of yourself, and one of the great – and that's I will advocate for SRE, and SEE, because that ability for a student to be able to come into a school and not have to leave their particular belief system at home, but they – in a tangible way – the school is willing to plant a flag and say, "All of these world views are welcome here", I think that that's a wonderful thing.

**MS ABRAMSON:** Can I just ask you, just out of interest, to be honest, we hear a lot that a lot of younger Australians don't have faith, but, clearly, there's a need for these services in schools. So - - -

**MR EASTLAKE:** Yes.

**MS ABRAMSON:** - - - I'm kind of interested – not because I have a view about this, but it's a mismatch, because we do hear in the media - - -

**MR EASTLAKE:** Yes.

**MS ABRAMSON:** - - - and also we see the statistics saying that quite a large section of the community, especially younger people, don't profess to be people of faith, and yet there's obviously a need for these classes.

**MR EASTLAKE:** So in our submission I pointed to, in the summary, and it's an – it's a – it was a – it's a – you can get the full paper that these academics publish, but it's an abstract in the – on the final page. It's an article called the Six Types of Teenage Spirituality in Australia, and it's a really interesting look into the – you know, current generation making their way through school, and, in brief:

*A significant proportion of young people remain interested in ways "being spiritual and seeking a connection with spirituality" –*

and the largest – if you aggregate the demographics there - - -

**MS ABRAMSON:** Yes.

**MR EASTLAKE:** - - - in the six different types, they're people that either have a loose affiliation and are trying to figure out what they believe, or they're actively seeking. So if we – and that is what – so the mantra of Christian SRE is question, explore, discover. We are saying here is what Christianity is, and you can make a decision for yourself, and all of the – you know, even primary ethics does the same thing. They say here's a framework. You make up your mind, and I think that that's – that speaks to – when you read the full paper, that speaks to what young people are doing. They're trying to figure out, "Okay. Well, there's all – there's a plurality of views here, so what do we do", and, unfortunately, you know, it's just a fact of the education, "I don't like it", but when the Teacher's Federation comes out and says, "Hey, look, we've got 3300 teacher vacancies in New South Wales", and if we take SRE out of it, okay, then we've got no support, you know, spiritually for students to get to – in schools.

We've got 11 and a-half thousand SRE teachers – not SEE, SRE teachers in schools supporting that framework. How are we going to replace them. Like, there's just – there's just a logistics number here that's – there's a disconnect there. So we've got students who are seeking, and they want to figure out for themselves what they're going – and there's a free gift to the community – and this intersects with my previous comment on volunteering, is I think that that might be what – it – it's a visible gift of your time to the public education system every week if somebody goes into the classroom. You don't get remunerated for it, whereas if you're out, you know, cooking the barbie at Bunnings, or fighting a fire, it kind of feels like more of a slog, and it's not super visible – you know, you've got no audience in front of you.

But when you've got a classroom of students, you know you're actually giving something to them. So I – but in – that's a longwinded answer, but that – would point you to that. I think that the question now is – it's a question of what – I've got a little bit of this world view, maybe a little bit of Buddha, a bit of Islam, a bit of Christianity and Jesus, and I've got a little bit of the secular world view. Is it all just this amorphous blob, or how do I navigate through that, and I think that that's what that says, and that's – that's why the principle of choice is so important in SRE, is that it doesn't advance religion, per se. It says if you want to come and explore this, you can come and check it out for yourself.

**MS ABRAMSON:** No. Thank you very much. Laurence, you were kind enough to say that you would talk to us about school building funds.

**DR SCANDRETT:** Yes.

**MS ABRAMSON:** Thank you.

**DR SCANDRETT:** I didn't want to take it away from our SRE discussion, but I notice our 30 minutes are up, and happy to make a few comments about that.

**DR ROBSON:** Yes.

**DR SCANDRETT:** As I mentioned, I was 17 years CEO of the Anglican Schools Corporation based here in Sydney. That organisation is charged with starting – planning, strategising and starting new Anglican schools, and particularly we used the phrase, "in the developing areas of Sydney", and the west. We did 15 new schools in 20 years, starting from just before I started, and one of – the first statement is really to say a non-Government school started not necessarily by a faith group, but most of them are started by faith groups. A non-Government school saves

the Government – the State Government in particular – millions, and millions, and millions of dollars.

So, as I say, the State Government has to educate every child that the non-Government sector does not educate, and so one of the criticisms of the non-Government sector always, well, you're actually not reaching out to South West Sydney, or North West Sydney. You're not reaching to the difficult areas. The first school we actually started, which happened just before I started, was at Oakhurst in Sydney, which is basically North Mount Drutt, which was the second lowest socioeconomic area in Sydney apart from Redfern, and it was a struggle. Let me tell you, it was a complete struggle. I was asked to come in as a CEO because they believed I could actually run the organisation and develop a whole lot of parameters to actually make it work, so it, itself, could survive, financially. That's really my background.

The concept of school building funds, well, all our new schools had a school building fund. The amount of money it received in total dollars, minimal, might be 20 or \$30,000 a year. But what it was doing was teaching people – and, don't forget, with our new schools in the more developing areas of Sydney, most of the parents didn't have a culture of private education. I was on the school council of a school in South West Sydney before I went to the schools corporation, and we had parents there who – there was no encouragement to their children to do any homework, because they had a culture of not doing any homework, and we had to actually find we were not only educating the students, we were educating the parents.

You need to actually – I don't want to say standover your child with a rod and make sure they do their two hours' homework a night, but you need to encourage them to do that, and what we found with the – our school building funds for these new schools, it – again, it was educating the parents in giving. "Look, if I – if it's recommended, per family, \$50 per family", whatever it was, and that was probably what it was back in my time, "and I will get a tax deduction for it". So it actually was educating the parents that – and, of course, it goes to the buildings which, yes, there are a few Government grants, but not that many. I did once see some research by the Christian Schools Australia – but I can't lay my hands on it now – that said for every dollar the Government put in to a – to non-Government school school buildings, they got a \$30 return.

It was quite a dramatic figure, but if they helped – you know, if they gave \$100,000 towards a million dollar building, it actually was – gave that impetus for the actual building to be built. But what we found was educating the parents in giving. Would you believe our biggest supporter in New South Wales State Government of what we were doing, and when we started to do it it was fairly radical, was Bob Carr. You know, the dyed-in-the-wool Labor politician, and why did he want the Anglican Church and the Catholic Church, and other faith-based groups to start new schools in Western Sydney, because of the competition it provided for the State Department of Education.

**DR ROBSON:** Yes.

**DR SCANDRETT:** He said, "We actually need your schools because, otherwise, the Department" – you know, in a whole brand new area, it's a newish area, it doesn't have any competition, you will find that the standard goes down, and there has been some disappointing report today on reading levels in Government schools, which I found somewhat distressing. So the competition, our fees were very low.

We're talking, at my time, at sort of five, \$6000 a year. Now, yes, you all see in the press the rich, big, wealthy schools in Sydney's Eastern Suburbs, and North Shore who have magnificent

buildings with old boys who have been very successful, giving millions of dollars to, but, again, you're actually providing competition to the State Department, and also with the new schools you are providing the beginnings of people giving – you're teaching them to give.

**DR ROBSON:** Thank you very much.

**MR SEIBERT:** Just on this, I suppose, noting, sort of, it's not in your current capacity, but it's in your previous capacity, and thank you for sharing your perspectives and experiences on this. I suppose, we look at the process inquiry wholistically in the sense that the Government has got, sort of, a set amount of resources that it wants to use to maximise the wealth and the wellbeing of the community, and it can do that through the DGR system, and the sort of indirect subsidy there, can do it through grants and other ways as well, and I suppose that's sort of the perspective that we adopt, and one challenge with the nature of the tax deduction is that, say, this school in – I think it was in Oakhurst that you talked about, you know, if people are saying the community there are donating to support that new school in an area where, you know, totally accept there would be demand for a new school in growth areas, similar elsewhere in Australia, is that the Government contribution is what their – the tax rate of those taxpayers, whereas somewhere else, say – I mean, another part of the city where, you know, there might not - - -

**DR SCANDRETT:** No.

**MR SEIBERT:** - - - be the same demand for education, the Government contribution will be 45 cents in the dollar in the top marginal tax rate. So it's not really kind of reflecting need or demand, and we do have some data in our draft report around, sort of, the vast bulk of the donations are concentrated in a relatively small amount of schools. So I think that there's that disconnect that we see, but – between, sort of, need and the – where the support goes, but, yes, whether you have any thoughts or reflections, sort of, on that.

**DR SCANDRETT:** I will respond this way, as I mentioned earlier, the Government has to educate every child that the non-Government sector does not educate, and we're not building enough schools. We are just not building enough schools. I was designing – in terms of buying land for new schools, I bought land for new schools with the intention of building a school for 1000 students in a single level – single storey, knowing that in 20, 30, 40, 50 years' time our successors would demolish all those buildings and build multi-storey buildings – probably start off with three storey and then go higher – because the population concentration is – just seems to be increasing, increasing, increasing, and, therefore, you're land provision, you might say, is in – people said, “Why are you buying so much land for, you know, a school of 1000 students”, and I say, “Well, it's actually – the long-term, it's not going to be 1000 students. It's going to be a lot more”.

Look, there are a small number of wealthy schools. Again, you get the media – I know some principals who, you know, have a competition, “How often were you on the front page of the Sydney Morning Herald this week”, sort of thing. It's not a fun competition, because, usually, it's trying to drag the school down. You know, whether it's parking problems or whatever else, or year 12s playing up. In reality, that number of schools is quite small, and I think it's probably – I don't have that hard data, but compared to the number of non-Government schools, the ultra-wealthy ones with fancy buildings – or iconic buildings is relatively small, but they're the ones that get all the press, and so, yes, while people are giving money to that, and they're getting their 45 cents in the dollar, they're obviously wealthy people who, if they're not giving to a school, would probably give it something else, but they are committed to the school. They might not

give it to anything else. They might employ, you know, another lot of accountants to show them how to not pay their tax.

**DR ROBSON:** I just want to come back to Tom, and, Tom, this is a bit of a leading question. I think I know what your answer will be, but I have - - -

**MR EASTLAKE:** That's okay.

**DR ROBSON:** - - - I think it's good to go on the record anyway. You know, does SRE, in your view – you know, the background is, in the terms of reference we're asked to think about social capital, and so, you know, I just want to ask you the question, do you think that SRE does provide social cohesion, and help build social capital, and in the context of that, is there any potential unintended consequences of having Government support, or taxpayer support for this activity.

**MR EASTLAKE:** In the way that SRE is delivered, as a feature, not as a bug, it's designed to – it's designed on a principle of choice, and that flow – that's, you know, inculcated right from day as kindergarten – as a SRE student, you have to choose to be there, and it's laying out the case, and if you're in a school and there's – you know, most schools now have increasing SRE programs in terms of the number of providers that are in there, you get an instant recognition that there's other people who don't necessarily, you know, subscribe to this view, and that can work – if you're just trying to figure it out, you don't have a basis of faith, you can say, "Okay. Well, these people believe over here. Maybe I want to jump over there for a little bit, or maybe I want to have a – check this one out", or if you, you know, have a family tradition, or you come to a conclusion yourself, then, you know, I think that it's important to – it would be to society's detriment if all schools – in my opinion, it would be to society's detriment if all schools operated like the public school that – and it was a lovely public school, but it's approach to religion that I was involved in, circa 20 years ago, where you would have had a generation, effectively, of students coming out of that system with the belief that you had no right to share your – to even make a statement of faith, or an outward – you know, wear a cross around your neck, you know, wear a keeper, in the public sphere, that's not somewhere that's in your home, all doors locked, fine. You can do it there, but, as soon as you leave home, you check that at the door, and I think that that sort of social cohesion is very important.

But- I would have left it there, but there is something that Laurie said that is quite important actually, even though it was, you know, building funds, is I noted – and admirably, I think – in the draft report the clear reference to a declining volunteer rate, and while I previously said I think SRE shows a great model of volunteering, one thing that Laurie said, in terms of training people to give, it's extraordinarily important that we model volunteering, and the church has done that very well. Churches don't operate without – so any religious faith mosque, temple, you know, it doesn't operate without volunteers. So you're – from day 1 in that church, you're seeing volunteering modelled, and that comes – and giving modelled.

So with SRE, when you have students sitting in front – in classes, whether it be secular ethics or Islamic, or Seikh, or Jewish, or Buddhist, or Christian, or Orthodox, whatever it is, but you know that teacher is there on a voluntary basis, and I have been asked that a whole – I can't tell you – I don't know how many – I've run out of fingers and toes how many times students say, "Do you not – do you just come here for free", and it's giving them a visual demonstration that this is a society, and there will come a time you need to contribute to it, and I read in a very interesting article in the Wagga paper last year about a ethics teacher. She's a – she has finished university. She's in her 20s. She's in finance, and she's going back and teaching ethics.



Now, that does nothing necessarily for Christian SRE, but it – that’s a wonderful thing, and why is she doing that, because her – she knew that the ethics teacher that taught her was doing it voluntarily, and she had some sort of onus on herself to say, “Hey, I have got to do that, too”. So the more we make this visible to people – so I think it works two ways. I think there’s a – the – we want to be a multicultural Australia. To make that as visible as we can, all the way through school, so that we can have people of different world views in close proximity to each other, who can just get along despite any differences of belief, and see that they can – because that’s the other thing. If you have a friend who’s, you know, an Orthodox Jew who wants to go and celebrate Shabbat on – Shabbat dinner on Friday night, well, that’s not – might not be how you spend your Friday night.

But you can go and continue your religious observance, and then still come back together in community, and everything can continue on, and we can all be friends. I think that’s a wonderful thing to learn all the way through school, and to get that overlay, which I think can only boost volunteering long term. The more visible – and I saw that in my – in a previous career with my first foray into volunteering was because my employer said, “I will not give you your full bonus unless you do two full days of volunteering every year”. So I went, “All right. Okay. Well, I better do some volunteering then, because I want my bonus”, and that brought all the people in the branch I was working in into volunteering for the first time, and I would wager that most of them are still doing it now.

So whatever the catalyst, whether it be a school building fund, or SRE, whatever you can do to get someone to donate, whatever you can do to get somebody to volunteer for the first time, that’s a good thing, and that’s why I think it’s, again, admirable that the draft report is seeking to increase giving, and by function of that, increase volunteering. I think those two things are inextricably linked.

**DR SCANDRETT:** And if I can just throw in one last comment there.

**DR ROBSON:** Yes.

**DR SCANDRETT:** I don’t know many people who volunteer to do Government work apart from yourself.

**MR EASTLAKE:** That’s a good point. That’s a good point.

**DR SCANDRETT:** It – if you replace – if we just had Government schools, and not non-Government schools, the – it would – the cost to the Government – State Government in this State would be – and the Federal Government – would be just horrendous – would be just horrendous, because – and that’s mainly because of the number of volunteers, and the amount of giving that goes to non-Government schools, let alone volunteers in – for SRE.

**DR ROBSON:** Thank you very much for your time.

**MR EASTLAKE:** Thank you.

**DR SCANDRETT:** Thank you for yours.

**DR ROBSON:** So we’ve got time now to open it up to discussion for any brief comments from the floor. If anyone here would like to make a comment, we’ve got some time. No.

**UNIDENTIFIED MALE:** I've got some comments on some data.

**DR ROBSON:** Yes. Absolutely. Do we – just, sorry, what's the protocol of an event - - -

**MS LAMB:** Do you mind just - - -

**DR ROBSON:** Yes.

**MS LAMB:** - - - approaching the microphone - - -

**DR ROBSON:** Yes. Just so we can - - -

**MS LAMB:** - - - and stating your name for the panel.

**UNIDENTIFIED MALE:** I'm also speaking tomorrow, so I'm just - - -

**DR ROBSON:** All right.

**MR SEIBERT:** All right. Well, yes.

**DR ROBSON:** Well, that's okay.

**MR SEIBERT:** That's tomorrow.

**DR ROBSON:** Tomorrow's fine.

**UNIDENTIFIED MALE:** Is that - - -

**MR SEIBERT:** Probably best to do it tomorrow.

**UNIDENTIFIED MALE:** Yes. So - - -

**DR ROBSON:** Yes. If it - - -

**UNIDENTIFIED MALE:** - - - with Craig Roberts of Youthworks, is that - - -

**MR SEIBERT:** I think we will probably do it tomorrow.

**MS LAMB:** Yes.

**DR ROBSON:** Yes. Tomorrow's - - -

**UNIDENTIFIED MALE:** Tomorrow. Yes.

**DR ROBSON:** Yes. Tomorrow's probably - - -

**MR EASTLAKE:** You want to talk about pay teachers.

**UNIDENTIFIED MALE:** And there were ..... boards. I can give you hard data on where the money goes, all those sort of things.

**DR ROBSON:** Yes. I think we will do it - - -

**UNIDENTIFIED MALE:** Answering some of those questions from today.

**DR ROBSON:** Is tomorrow okay.

**UNIDENTIFIED MALE:** Totally fine.

**DR ROBSON:** Yes.

**UNIDENTIFIED MALE:** I just wanted to say that out loud, so that - - -

**DR ROBSON:** Okay. Good.

**MS ABRAMSON:** Thank you.

**UNIDENTIFIED MALE:** - - - you can decide when - - -

**DR ROBSON:** Next stop, we will follow-up on it.

**UNIDENTIFIED MALE:** Great.

**DR ROBSON:** Yes.

**MR SEIBERT:** Yes.

**DR ROBSON:** Excellent.

**UNIDENTIFIED MALE:** I'm mid-morning tomorrow.

**MR SEIBERT:** Yes.

**DR ROBSON:** Okay.

**MR SEIBERT:** Okay. Thank you.

**MS ABRAMSON:** Thank you.

**MR EASTLAKE:** I said it before, it's – you know, it wasn't an initial Sydney event. For you guys to do two, thank you, very sincerely, for doing it. Like, you can do it via Zoom, but it ain't no substitute - - -

**DR ROBSON:** Yes. It's different. Yes.

**MR EASTLAKE:** - - - for face-to-face. Like, seriously – and I would be very willing, you know, and actually quite happy if I know where to send something to – I appreciate – and no bad blood, I just didn't understand the issue of - - -

**DR ROBSON:** That's fine.

**MR EASTLAKE:** - - - the burden of proof. So thank you for clarifying, but I think that - - -

**DR ROBSON:** Yes.

**MR EASTLAKE:** - - - you answered very well. The framing of it was excellent, and, you know, I would love to commend whomever was - - -

**MS ABRAMSON:** We can see that you teach.

**MR SEIBERT:** You can – thank you for the feedback.

**MS ABRAMSON:** We’re getting that, and - - -

**MR EASTLAKE:** No, no, I – no, but if there’s - - -

**DR ROBSON:** You can commend me. You can commend me.

**MR SEIBERT:** I love this feedback. So - - -

**MR EASTLAKE:** No, no, but I would love to – I would seriously like - - -

**DR ROBSON:** Thank you.

**MR EASTLAKE:** - - - you know, the – it has been very fair. Your questioning is very reasonable, and I appreciate, you know, a lot of – and, particularly, our submission only went in on Friday, so, you know, certainly you guys need to be commended, and whoever else, this is all transcribed, so please make that find - - -

**DR ROBSON:** Absolutely.

**MR EASTLAKE:** - - - its way to the - - -

**DR ROBSON:** We will put that in - - -

**MR EASTLAKE:** - - - appropriate person because I have attended different ones of these before, and they don’t always go like this. So I - - -

**DR ROBSON:** Okay.

**MR EASTLAKE:** This was really great. Thank you very much.

**MS ABRAMSON:** Well, thank you.

**MR SEIBERT:** Thank you.

**DR ROBSON:** Thank you very much.

**MR SEIBERT:** No. Thanks for your comment. Appreciate it.

**DR ROBSON:** Yes. Thanks.

**MR EASTLAKE:** No, no, pleasure.

**DR ROBSON:** So we will now adjourn the proceedings. Thank you for – everyone for coming along today, and we will resume tomorrow at 10.

**MS ABRAMSON:** 10.

**DR ROBSON:** 10 o'clock.

**MS ABRAMSON:** Yes.

**DR ROBSON:** All right. Thank you.

**MS ABRAMSON:** Thank you.

**DR SCANDRETT:** Thank you.

**MR SEIBERT:** Thank you very much.

**MATTER ADJOURNED at 4.52 pm UNTIL TUESDAY, 13 FEBRUARY 2024**