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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 2

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DR A. ROBSON: All right. We will get started, I think. Good morning, everyone. Welcome to this second day of 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 would like to begin by acknowledging the traditional custodians of the lands on which we're meeting today 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 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 concern for the wellbeing of the Australian community as a whole.

So the purpose of this public hearing is to facilitate comments and feedback on the draft report, Future Foundations for Giving. In this report, the Commission identified practical changes that would promote giving and benefit the Australian community. We're seeking feedback on these proposals. The Commission also notes, however, that all government support ultimately derives from taxpayers and that there's no such thing as a free lunch, including when it comes to policy options for supporting philanthropy. All policy choices involve trade-offs, costs and benefits. Our interest is in understanding what those trade-offs look like and how to improve the terms of those trade-offs.

The draft report focused on three main areas: DGR reform, regulation and information. The draft report did not recommend removing the charitable status of any entity or class of entities. Yesterday we heard from stakeholders regarding the report's draft recommendations on DGR for school building funds and special religious education, extending DGR to charities with the sole purpose of advancing religion and regulatory arrangements around basic religious charities, as well as our draft recommendations around corporate giving and transparency.

The Commission has found, as part of its inquiry, that the current DGR system lacks a coherent policy underpinning and has sought to address this by developing a principles-based framework for DGR eligibility that focuses on charitable activities rather than entities. The Commission then applied these three principles to determine which charitable activities would remain the same with respect to DGR status and for which activities there would be a change.

The Commission's draft recommendation on removing DGR status for school building funds would apply equally to government, non-government, secular and religious education providers. Our preliminary view is while there are sound reasons for governments to support the provision of school infrastructure, the current tax donation 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 access to DGR status. The Commission recognises that religious organisations play an important and valued 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. However, the Commission did not find a strong policy rationale in terms of net

additional community benefits for changing the status quo and expanding DGR to charities with the sole purpose of advancing religion.

On the other hand, some charities with the advancing religion subtype already undertake additional and 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 and it would be easier for them to do so. There are also charities with a religious ethos currently endorsed as DGRs, such as public benevolent institutions working to address disadvantage. They would continue to be eligible. We welcome further feedback on these proposed reforms to the DGR system in these hearings. In particular, we welcome feedback on the principles, how they've been applied, and the likely impacts of the reforms and the benefits and costs of alternative proposals.

The second group of reforms was to strengthen the regulatory framework to enhance the ACNC's powers and improve the regulatory architecture. This is particularly important given that trust and confidence in charities underpins philanthropic giving and the Commission has made various proposals to enhance the regulatory framework. The proposals also seek to ensure that 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 has 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 collects and provides about charities, giving and volunteering. It also recommends that disclosure and reporting of corporate giving and charitable bequests be approved.

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 9th of February, we've received over 1200 final submissions and over 1400 brief comments since the draft report. So this is the second day of public hearings 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 in this – in these hearings. 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 comment or presentation. The transcript taken today will be made available to participants and will also be made available on the Commission's website following the hearings. Submissions are also available on our 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.

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 presentations today from the Associated Christian Schools. If you could please state your name and the organisation that you're from for the record, and then we'd be happy to hear an opening statement and then we'll get into the questions, but welcome and please go ahead.

MR A. MACPHERSON: Thank you. My name is Alistair Macpherson. I'm the Executive Director: Public Policy & Advocacy, for Associated Christian Schools.

MS V. CHENG: Good morning. I'm Vanessa Cheng, the Executive Officer of the Australian Association of Christian Schools, representing over 100 independent Christian schools around the nation.

MR M. SPENCER: Mark Spencer. I'm the Director of Public Policy for Christian Schools Australia. We have member schools in over 180 locations around the country.

DR ROBSON: Okay, thank you. Would you like to make an opening statement.

MR MACPHERSON: Yes, thank you, Commissioners. Thank you for inviting us to be a part of today, and we also recognise the traditional owners on the land on which we meet. So we, as a joint group of organisations, represent about 150,000 students and over 300 schools across Australia. Our schools, our member schools, are not wealthy schools. They're generally either in low to medium fee-paying proportions, and of those, they're largely based in the suburban areas and in the regional areas of Australia. So we're not talking about inner-city wealthy schools.

Our member schools do use DGR funds quite extensively, but they don't raise the types of moneys that might be thought that they're raising. They're generally raising between 50 and 200,000 dollars per annum through their DGR funds and that includes the college building fund, of course. And so it's certainly of concern to our member schools to see that particular DGR source of giving being removed from them in the context where it is a significant part of their ability to fund capital projects. The reality is that education – the education they deliver results in significant benefits to the Australian community over the course of each student's lifetime as well as the families, and those students are continuing to give in all manner of ways towards the community.

Schools are expensive to run and they're particularly expensive to build and to maintain, and government funding in and of itself will not meet those costs. In fact, government recurrent funding is – cannot be used for school building funds. We're just talking about block grant moneys that can be used and that represents about 20 to 50 per cent of the actual cost of – well, maintaining it and building school buildings. And so, because of those costs, our member schools need to look to other ways of funding their capital infrastructure, which includes DGR giving.

We would say, and we've set out in our submission, that the risks of raising those funds through the DGR is far outweighed by the benefit that those funds deliver to the community. The risk of private benefit is, in our submission, negligible if at all, because the reality is that these parents and other members of the community that are giving to these DGR funds are not expecting anything in return. They do it out of a generous heart and a desire to support the school. So there is really no risk of a private benefit. And the funds are being used in a completely appropriate and transparent way towards the provision of education. We've said in our

submission more of our arguments, but that's really the extent of our opening statement. We're happy to take any questions that you might have.

DR ROBSON: Thanks very much. Krystian, do you want to start some questions.

MR K. SEIBERT: Thank you for taking the time to join us this morning and to share your perspectives. I think it's important to state, too, that in the draft report we recognise there is a role for government to support school – the provision of school infrastructure, so the question is about how to do that and whether the DGR system is the right way to do that, noting that that category for school building funds has been around for quite some time and it's really important to consider whether it's fit for purpose, relevant in the context of the broader funding environment and the design of the DGR system.

I just wanted to ask you a bit about – sort of – you mentioned how your schools are in sort of suburban areas – sort of – and that many of them are low fee schools as well. Do you have any comments or thoughts about the fact that because of the nature of the tax deduction – it's based on the taxable income of the person making a donation, so the government contribution or subsidy can vary based on whether the parents are in higher taxable income or a lower taxable income. So it's not really necessarily matched to sort of the need or demand. Do you have any sort of comment on the way that the government support through the DGR system is directed?

MR MACPHERSON: Certainly. The government support is nowhere near as excessive as it would have been – if it was fully 100 per cent government funded. But one of the real benefits of the DGR system is that it enables a range of people in the community who actually want to support this particular school to be able to support it and to take a tax deduction. And these are not people that are necessarily – have children enrolled at the school.

In our survey results – and we did a survey of our schools – a large proportion of them are people that are connected to the community more generally, whether they're alumni, whether they're grandparents or whether they're simply people part of that particular faith community that have that particular school as a ministry of their faith community and they want to say that is something that we want to support. And then, the school is making those facilities equally available to the community at large to be able to use and deliver benefits back to the community at large.

MR SEIBERT: And so it's – I'd be interested in sort of your – we'd be very interested in any data you've got sort of from that survey in terms of the breakdown of who does support school building funds. Like, do you have any sort of data on – that you can share with us now?

MR MACPHERSON: Look, our data was indicating it's about 30 to 40 per cent that are not within the specific school enrolled community that would be supporting the school.

MR SEIBERT: So would 60 to 70 per cent be – would that be parents, then, that are contributing or - - -

MR MACPHERSON: That might be current parents that - - -

MR SEIBERT: Yes.

MR MACPHERSON: - - - might be contributing. It's probably at the lower end.

MR SEIBERT: Yes.

MR MACPHERSON: But the 30 to 40 per cent would be people from within the community more generally.

MR SPENCER: And it varies across the life of a school.

MR SEIBERT: Yes.

MR SPENCER: Particularly in – obviously, in the early years of a school where there is no existing parents, you often get donations from, in many of our cases where our schools have been established as the ministry of the local church, people from that church community or other related church communities making donations to a building fund to establish that new school. In many cases, in our schools, they were started with, you know, the proprietors or proponents taking out second mortgages to borrow, to – you know, the school building funds.

A whole range of ways of actually, you know, you know, gathering the infrastructure to establish that school because there is no capital funding for those schools in the early years. So it's very much reliant upon that public support. Second mortgages and those sorts of things are very privately costly. Now, to use the DGR facility to encourage that across that wider community has been very helpful in many of those cases. So there was a waxing and waning of contributions depending on the life cycle of the school or the life cycle of the building program.

MR SEIBERT: And what if - - -

MR SPENCER: And if you're suggesting that instead of a deduction we go for a rebate model for a gifts to DGRs, we'd be very happy - - -

MR SEIBERT: I'm not suggesting any - - -

MR SPENCER: - - - to accommodate that.

MR SEIBERT: But I mean, I suppose the question I was asking was that, yes, like, that you might have sort of parents of particular incomes in a particular area and there's more of a taxpayer contribution because of – it's a function of their incomes. It's not matched, necessarily, to needs or – that's one challenge with the DGR system. It's kind of decentralised, the decision-making, rather than government – like, with a grants program can sort of coordinate it differently.

MR SPENCER: So the last data I've got on our member schools is that the average contribution from parents on the recurrent side of funding, so fees and other similar contributions, is just over \$5000 per annum. So quite modest.

MR SEIBERT: Is that donations?

MR SPENCER: That – no, that's fees. That's - - -

MR SEIBERT: Fees. Okay. Yes.

MR SPENCER: - - - to recurrent - - -

MR SEIBERT: Yes.

MR SPENCER: - - - funding. So we're not talking about wealthy families.

MR SEIBERT: Yes.

MR SPENCER: But they are still, when they're able – you know, in the outer western suburbs of Sydney and outer western Melbourne in the regional areas – when they are able, they will still utilise the DGR funds and that's a very important thing for them to be able to do that for those additional – additional giving. It may not be as tax-effective as it might be for a wealthier family, but it's still enough of an incentive to actually incentivise them to make those extra contributions.

MR SEIBERT: And what are the – sort of the motivations, because we're interested in that as part of this inquiry, for parents and others that are contributing?

MS CHENG: I can speak for myself as a parent, but also representing schools. I think a lot of parents are motivated by the mission and ethos and that genuine desire to be generous and to give back to the school, so often parents won't be seeing that direct benefit themselves of donating to a school building fund because buildings take a long time to plan and your children might only be at the school – they're just there for high school four or five years. So you're sowing into the future, future generations, but wanting to contribute and see the benefit of that school to your family. So often it's just with purely generous motives and not receiving any direct benefit as a parent, but seeing that the school is doing good things and wanting to support the mission and ethos of the school, and giving back to the community.

MR SPENCER: Yes.

MR SEIBERT: So – and this is just a hypothetical and we don't have any views at this stage, but if that – if there isn't sort of that desire to sort of donate to, you know, build buildings that children can benefit from and, you know, maybe down – a few years down the track, would – if, say, there was, say, an arm's length entity where it's a school building fund and you contribute to it and other schools can apply for funding from it within the network or other schools – would parents still contribute to it? Or is it linked to them being able to contribute to a school where their own children go?

MR SPENCER: Some years ago now, a actually ran a centralised school building fund and it was – contributions were made to that and they were distributed to new schools as they need it. And that certainly had, in that time, a lot of contributions from people who were committed to the cause of Christian education, to use that sort of broader function. And it wasn't necessarily connected to a school they were associated with. So that certainly has happened in the past. In more recent years, that hasn't been continued for a variety of practical reasons. And you know, again, in – speaking from personal experience, I gave to a school building fund for our children's school knowing that our children are about to leave. So there are – there is that motivation for, you know, the commitment to the sort of broader mission of what we're doing.

DR ROBSON: Julie - - -

MS ABRAMSON: Yes, I wanted to ask – you made a very interesting comment. I think it was Alistair. Yes. About making the premises generally available to community. How has that been done? Is it a term and condition of the school building fund? Like, very interested in those type of making it more available.

MR MACPHERSON: Well, it's just because they want to be a part of the community. So when community groups approach them, they will want to facilitate the use of their premises, whether it's sporting fields on the weekend, whether it's youth groups. There's all manner of uses in which these school buildings are put so that, you know, when we're not talking about inside of school hours, those buildings are still delivering the – a benefit back to the broader community.

MS ABRAMSON: It would be really useful for us if you were able to give us maybe some case studies of schools that do do that. You may not want to identify them, but on the basis that they make their premises available, it just is a really interesting idea because we have this view about what's a private benefit, as you know, so it's interesting to understand, well, actually, these facilities are used by the community at large.

MR MACPHERSON: In the context of our member schools?

MS ABRAMSON: Yes.

MR MACPHERSON: The vast majority, if not all of them, would make those facilities available to members of the community.

DR ROBSON: Yes.

MR MACPHERSON: It's something as simple as a Saturday morning sport where members of the communities are coming along to use those sporting fields and the facilities that are attached to them. I know that – well, I mean, I took my son to cricket and we're – each weekend we're at a different particular - - -

MS ABRAMSON: Yes.

MR MACPHERSON: - - - school, using those fields and using all of the facilities that are attached to those fields. That's one obvious - - -

MS ABRAMSON: Do they - - -

MR MACPHERSON: - - - provider.

MS ABRAMSON: - - - charge a fee? Like, even a nominal fee for the use of the facilities?

MR MACPHERSON: Well, if there was a fee, it would only be a nominal fee and, in fact, if you go back to the Building the Education Revolution funds that were used to build community buildings, it was a condition of that that what was actually constructed was to be made available to community groups for no more than a nominal fee.

MS ABRAMSON: Yes.

MS CHENG: Certainly, in the survey that we did of our member schools, we asked that question, “How are your facilities used by the community,” and every single school has said access is available through community groups such as sporting groups, youth groups. One school said seven days a week the facilities are available to the community. So we’re certainly happy to provide some of those - - -

MS ABRAMSON: Yes, that would be really helpful - - -

MS CHENG: - - - examples from our survey and - - -

MS ABRAMSON: - - - for us. Thank you.

MS CHENG: - - - more detail around that if you like.

MS ABRAMSON: No, that would be very helpful.

DR ROBSON: Thank you.

MS ABRAMSON: I did want to ask about volunteering, but are there other questions you want to ask about?

DR ROBSON: Yes, I’ve got a few - - -

MS ABRAMSON: Did you?

DR ROBSON: - - - and then we’ll come back.

MS ABRAMSON: Yes. Yes. Yes.

DR ROBSON: Yes. I just wanted to ask you about the principles. So when we – as I said in my opening remarks, when we started looking at the DGR system generally, we found a system that had, you know, very little coherent policy rationale and it’s developed in this way over more than 100 years, and so we came up with three principles. One – you know, the first one is that, well, the activity, you know, is worthy of some form of government support because it would be otherwise under-supplied.

The second one is that the DGR subsidy or tax concession is the best way of providing that support, and then the third one is that, you know, there’s no risk of a close nexus between the donor and the recipient. So I’m just interested in your views on those principles. Have we got those right or wrong? Or is the thing that you’re concerned about more the application of those principles to school building funds and – so yes, interested in your general views on that.

MR MACPHERSON: Look, certainly our concern was how it’s being applied in the context of school building funds, and it seemed like it was approaching it from the perspective that either buildings are government funded or they could be government funded and therefore there was no need for private support, and that’s not the reality. Nor is it really appropriate. We – our member schools want to be encouraging those within their community to be supporting through financial donations, because then there’s a sense of ownership and involvement that – our schools don’t operate in a vacuum. They operate as part of that community and so to simply say

we're only going to be relying on government funding is, in effect, cutting off part of what's an important part of the school, which is the community that you're serving.

DR ROBSON: Okay.

MR SPENCER: And, I mean, if you look at the, you know, the rationale for government support, it's certainly – our schools have been growing. Fastest growing sector for the last three or four decades. Our greatest challenges are finding enough teachers and finding enough resources in terms of buildings and facilities to actually house people who want to come to our schools. So our buildings – you know, we're not – to use some comments that might be attributed to the Greens, we're not building a second orchestra pit or a third swimming pool. We're building additional classrooms. We're building additional educational facilities. School supports in a – science labs, which are always horrendously expensive.

So, you know, we need to grow and build our school facilities, and that is providing a benefit to the public. The public are demanding our sort of schools. They're coming to our schools in waves. And they're – those facilities aren't being funded by the government. The capital funding has been growing, but fairly marginally. It hasn't been as generous as the recurrent funding in terms of government support and would need to massively increase to come anywhere near funding the need for non-government schools. And that support is providing – you know, supporting an activity that is providing a widespread benefit.

We'll provide you with some additional research we did around the impact of our students and graduates from our schools into the broader community. Our students from Christian schools are more likely to be involved in volunteering, more likely to be involved in trade unions, more likely to be involved in political parties and other civic institutions. You know, we are producing graduates who are – have that – want – the desire to give back in a broader sense to society. And in the context – you know, I think we've already talked a little bit about in the context of schools, you know, there isn't that sense of – certainly no offset. You know, if you give to the building fund, that means fees won't go up. That – you know, that's just – yes.

MR SEIBERT: So just on that, hypothetically, if this recommendation was implemented, what would happen to fees?

MR SPENCER: Well, before we even start talking about fees, we'd be talking to government about giving us some more capital grants.

MR SEIBERT: A fair point. Yes.

MR SPENCER: That would be our first port of call. If not, then there would probably need to be – well, you – we would either have to stop providing education where we are, provide a lesser quality of education. And that tends to have the greatest impact upon those with the most need in our schools. Capital funding – any funding for our schools provides the opportunity for choice of our sort of schools for people who could otherwise not afford it. So parents who come to our schools are – you know, are there because they can afford it because of the government support we get. And they generally couldn't do it out of their own back.

MR SEIBERT: So would you – you say you'd generally want to replace – you'd ask the government to replace it through sort of grant funding rather than trying to change fees because of – and would - - -

MR SPENCER: Because of the ability of our parents - - -

MR SEIBERT: Yes.

MR SPENCER: - - - to accommodate that.

MR SEIBERT: That's – okay.

DR ROBSON: There's a step in there that is the response of donations to the removal of DGR status. So you – we're – we've, as part of this report, looked at that issue, you know, sort of generally across the Australian community: the responsiveness of people's donations to the tax price of giving. But it is difficult to get data on donations for a specific purpose to – so do you have a sense, then, of, you know, what would happen to DGR donations?

Because the – you know, a lot of donations are made to DGR eligible entities but they're not claimed as tax deductions. They're just given by corporates or whatever they might be. And so the – you know, one question we're interested in as the sort of initial step in that – you know, that chain of events that we were just talking about with Christian was, well, what would happen to those DGR donations in your view? Do you have a sense of that or – it's – I mean, it's a hypothetical question, but - - -

MR SPENCER: It is a hypothetical question - - -

DR ROBSON: Yes. If you've got any views on it – I mean - - -

MR SPENCER: I don't think there would be many donations to building funds in our schools from corporates or other entities that wouldn't be claiming tax deductions.

DR ROBSON: Yes.

MR SPENCER: I think the tax deductibility, whether it's the most tax – you know, whether it's high income people, it – like, it's a – generally a middle income bracket.

DR ROBSON: Yes.

MR SPENCER: But it's still enough of an incentive to just provide that extra little bit to - - -

DR ROBSON: Yes.

MR SPENCER: - - - allow it to happen. The conversations around the dinner table, you know.

DR ROBSON: Yes.

MR SPENCER: One partner might want to make a contribution and be generous; the other one says we've got to juggle the finances. Well, the tax deductibility just changes that conversation a little bit. It changes enough. It's enough for a margin to make the giving happen - - -

DR ROBSON: Yes. Okay.

MR SPENCER: - - - would be my assessment.

DR ROBSON: Yes. Yes.

MS CHENG: Some comments, again, from our principals – we asked this question again in our survey – that they would have to start increasing their fees to community groups who were – are using facilities, so that would be an impact. They would need to look at other avenues of support to keep those buildings maintained and build new buildings, so whether it's additional compulsory levies on parents where currently it's voluntary levies on parents or, you know, it's not compulsory. And again, looking to government. So I guess that question for the Productivity Commission is, is it really a net benefit to remove the DGR status in terms of overall government support for independent schools and I'm not sure how you would measure that, but I would anticipate that it's going to end up being more costly to govern in the long run if private donations are discouraged in this way by removing the DGR.

MS ABRAMSON: Could I just ask a question – and I might have misunderstood this, so I will put that – I thought that you couldn't ask for a compulsory amount.

MR SPENCER: You can't.

MS ABRAMSON: That you had to actually – had to be voluntary. I thought there was some law around that.

MS CHENG: Yes, yes, that's the current thing.

MR SPENCER: But I think the comment – that's what we're saying, was that if we couldn't have the DGR status, we would need to introduce - - -

DR ROBSON: Okay.

MR SPENCER: - - - a compulsory capital levy.

MS CHENG: That would – some way of covering that shortfall, and that gap.

MR SPENCER: Which wouldn't be – yes

MR MACPHERSON: And when we come back to what seems to be a constant theme in the report about fairness, that's a manifestly unfair outcome for our parents, because they're already paying school fees, and it's really quite unfair to then be saying, well, you also now need to fund the construction of the buildings through increased fees. So, really, if it's not being funded through DGR, the only other alternative is government funding, just as governments need to fund State schools. But what the – the model that we've long had within Australia is to say that there's an alternative way of funding school buildings, because it's delivering that long-life benefit through philanthropy, and particularly the philanthropy of those who are wanting to support our member schools. And the people within our community are generally generous people. They actually want to, because they have a spirit of generosity that comes out of their lived faith, and so they want to sew back into the school for generations to come, which would be encouraging.

MS ABRAMSON: Which brings me, kind of, neatly, to the volunteering. I'm really interested in the comments that you made around the insurance issue. So there are two things I'm really interested with volunteering. You've all made the comments that you provide an ethos that

means that the graduates of the schools and their parents are more inclined to be volunteers in community. Any statistics you have on that would be terrific. And the second point is, any – well, three, I’m sorry – any trends that you’ve observed in volunteering, because we see national trends where volunteering is actually decreased, but we’re interested in the comments that you made about the ethos of volunteering, and then I’m particularly interested in the insurance issue, and whether you’re having trouble placing insurance at a reasonable cost.

MR MACPHERSON: Yes, so I think those were issues that we brought out in our first submission.

MS ABRAMSON: Yes.

MR MACPHERSON: That initial stage. Certainly, if we look at the insurance, the insurance is becoming an issue, particularly, for example, in relation to activities that are more high risk for schools, and so the insurers are saying, we’re either not going to fund those, or we will find those at a prohibitive cost. So attending external events, having external providers coming in and delivering events, using inflatables, for example. That’s something that is becoming increasingly difficult, if not impossible to obtain insurance from.

MS ABRAMSON: Have you been able to – I’m not expecting, necessarily, that you can, do you place like group insurance for the Christian schools that are members of yours, because a lot of employer associations, for example, have insurance schemes where they place insurance or that’s not part of the model?

MR MACPHERSON: Some will have member schemes. So I mean - - -

MS ABRAMSON: Yes.

MR MACPHERSON: - - - there’s a member scheme that’s both for churches and for Christian schools.

MS ABRAMSON: Yes.

MR MACPHERSON: And so quite a number of schools would insure through that scheme. Other schools would simply go to the market for their insurance. Generally it is a more cost-effective insurance when it’s going through those collaborative schemes than going to market.

MS ABRAMSON: If you’re able to – and I’m aware of commercial sensitivities – to give us a view about one, an increase in the premiums that schools are facing, and secondly, the ability to place insurance. I’m very sympathetic to this in other capacities. The insurance market has become quite difficult. So interested to know about that. And we don’t have a view, but you’ve raised an interesting point in your first submission about whether or not there should be some public scheme in circumstances where the government is keen on supporting voluntary – we don’t have a view, but that type of information is really helpful.

MR MACPHERSON: Yes, we can look to provide that.

MS ABRAMSON: Thank you. And just volunteering generally, what do you say?

MR MACPHERSON: Again, with our initial submission, I believe we elaborated more on that, and provided an infographic, that set out what – where the volunteering levels were.

MS ABRAMSON: I'm looking at your submission now, yes.

MR MACPHERSON: Yes. So that was the Cardus Report that we provided there.

MS ABRAMSON: Yes.

MR MACPHERSON: But certainly, our schools see volunteering not only within the life of the student within the school, but then it goes on. So whether that's within aged care or other public benevolent institutions, where our students are either volunteering as students, or continuing to volunteer. Indeed, part of it also revealed that a large proportion of our students were more likely to be involved in a union or a professional organisation post their education than students from other schools. So there's an embedding within them throughout their school journey of delivering back to the community.

MR MACPHERSON: Thank you.

MS CHENG: And can I add to that, that – so this is the Cardus survey that we conducted of our millennial graduates from Christian, independent, government and Catholic schools, but what it showed also, that it was Christian school graduates are more likely to be generous themselves, and give to charities and to churches. So, again, that philosophy and that ethos of giving back through volunteering and also financially giving something that is very much part of the Christian faith that we would be teaching through our schools.

MS ABRAMSON: Thank you.

MR SPENCER: Which goes back to the use of facilities question, and why many of our schools are motivated to make sure their facilities are as open and accessible to the public as possible, for them – and supporting other groups, and again back into the community, and demonstrating to their students how they do that by, you know, them seeing the school doing that with their facilities.

MS ABRAMSON: I understand, thank you.

MR SEIBERT: Just on the community access, it – the BER, the Building the Education Revolution funding conditions weren't mentioned yesterday, and I – yes, I wanted to ask if – say if those sorts of conditions applied in the context of buildings funded through DGR donations, would you be comfortable with that?

MR SPENCER: Off the top of my head, yes, because it's going to be happening anyway.

MR SEIBERT: Because it's about providing reasonable access to community groups for low or no fees.

MR SPENCER: Yes.

MR SEIBERT: To facilities, libraries and multipurpose facilities, yes.

MR SPENCER: Yes, generally my experience with schools is that they do charge a fee, and that creates a contractual arrangement. That means you can put conditions in, and have, you know, a sensible structure in place and then that helps to deal with insurance issues and all those sort of other, you know, things you need to put in place to manage those arrangements. But it is generally just a nominal fee, to trigger those requirements, and I don't think our school have any concerns around that.

MR SEIBERT: And very quickly as well, when you mention, sort of, a tax rebate, the – would – because obviously one of the benefits of a tax creditor or rebate is you get, sort of, a – there's a consistent, sort of, taxpayer contribution or government contribution, co-contribution for every person making the donation. Do you think that there are benefits to that? Or disadvantages, any thoughts on it in particular?

MR SPENCER: In that - - -

MR SEIBERT: In that context.

MR SPENCER: A tax rebate rather than tax deduction would certainly address some of the concerns that have been expressed about the variability of the impact on that – on the donor. Now, obviously, that wouldn't address those who are at the bottom end who aren't paying tax, but they're probably relatively less likely to be making contributions. They would certainly significantly benefit those in the lower to middle tier who are – the people who are making donations and contributions in our schools.

MR SEIBERT: So they might make more contributions?

MR SPENCER: No, they might make – be able to make more contributions.

MR SEIBERT: And would that mean – would probably many of your parents, and others fit in that, that, sort of, bracket?

MR SPENCER: In that middle – middle bracket. How – without getting into it, the nerdy technical funding – the direct measure - - -

MR SEIBERT: No, please do.

MR SPENCER: Direct measure income and sort of levels of our schools are really at that, you know, lower level, around the Catholic schools or maybe slightly below that, so we aren't the higher income - - -

MR SEIBERT: Any data that you have on this, whether it's in your submission or not would be very helpful just to help us with our thinking. I – that survey that you did, is that included in your submissions? Because we haven't - - -

MR SPENCER: It has only just been concluded for today, so - - -

MR SEIBERT: Okay.

MR SPENCER: Yes, we can certainly pull that together. There has been under FOI some data released by the Department of Education around income levels, DMI, school funding, that we

might be able to come back to you, to give you a sense of, you know, sort of income levels, or you might be able to do it yourself with your – more resources.

MR SEIBERT: But also, that survey you mentioned of your principals and others, that would be really - - -

MS ABRAMSON: Yes.

MR SPENCER: We can give you that, but I can also point you to that.

MR SEIBERT: Excellent. Thank you. That's fantastic.

DR ROBSON: Any other questions?

MS ABRAMSON: No, that has been really helpful. Thank you.

MR SPENCER: Thank you very much.

MR SEIBERT: Yes, thank you.

MS ABRAMSON: Thank you. Pleasure.

DR ROBSON: So we will now, I think, take a break, and – for morning tea, and then we've got – come back at 11 o'clock. Thank you.

ADJOURNED

[10.40 am]

RESUMED

[10.59 am]

DR ROBSON: All right. We'll get started again. So we've got the next participants appearing from Youth Works. So if you could please state your name and the organisation that you're from and then if you'd like to make an opening statement, we very much welcome that. And then we'll get into questions. Welcome.

MR ROBERTS: Thank you, Commissioner. My name's Craig Roberts. I'm the CEO of the Anglican Youth and Education Diocese of Sydney, known as Youthworks, and this is my 26th year of teaching SRE or scripture each week in New South Wales public schools. I am grateful for the Commission's draft report into philanthropy in Australia and there is much to applaud in that report. I won't rehearse the fully referenced and footnoted evidence and data contained in several submissions to the Commission that set out so very clearly that people of faith are, on average, far more generous with their time, their treasure and their talents than the norm. If we want to increase Australian philanthropy, we need to harness our faith communities and not disincentivise them. But as the draft report stands, the only segment of society that I can see that stands to get less not more incentives to give are faith communities, notably around school building funds and RIGS, which is instruction in government schools funds.

My concern is that the Commission may not have had complete data upon which they drew their [conclusions and framed draft recommendations. The report does not seem to acknowledge that people of faith are more philanthropic with their time and money than the average Australian, and I'll confine my remarks on the Commission's report and recommendations to the removal of DGR status of RIGS funds. Others have and will articulate a critique around the Commission's view of school building funds which I fear the Commission may have erroneously conflated with RIGS funds as the Commission particularly sought to apply their third principle around private benefits.

There's also the matter of equity. At multiple points, the draft report rightly speaks of the objective of equity. I note that SRE, scripture, is delivered in New South Wales schools alongside ethics but ethics gets a free pass in the draft report. I can't fathom why SRE should have DGR status removed whilst donations to ethics, special education and ethics, have their DGR status preserved. If I were a man of thin skin, which I am not, I could see at many points an anti-faith ideology dressed up as tax policy. However, what I can't discern is a coherent reason behind the draft recommendations for the DGR status for RIGS funds to be removed. I applaud the three principles that determine whether an activity should be in scope for DGR status or not: community-wide benefits, benefits from government subsidy and the unlikely risk of conversion to private benefit to donors.

On page 18, the report states, "religious organisations play an important role in many people's lives and communities across Australia, however the Commission doesn't see a case for preserving government encouragement for the practice of religion through the DGR system based on the first principle above". The first principle, the expectation of community-wide benefits. The Commission may not be aware of a significant body of research from around the world that evidence's the correlation between faith and positive life outcomes. For example, a 2019 global study partnered – sorry, co-sponsored by World Vision called the Connected Generation. It involved 15,000 young adults from 25 countries across nine languages. It found that people of faith were more hopeful about the future and more resilient. They were more hopeful about the future, 51 per cent of religious young people versus 34 per cent for the faithless, if I could call them that.

As someone with an economics degree, I understand the nexus between individual hopefulness and increased rates of investment. The Australian economy needs investment to stimulate growth which is far superior to what one commentator called last week our current immigration Ponzi scheme that's driving our current GDP growth. People of faith are more hopeful about the future. They're also more resilient to the shocks of life. The particular measure in this study was that of self-efficacy, 43 per cent of religious folks versus 29 per cent for the rest of the cohort. What that means is that they are less reliant on the health network to deal with the inevitable chances and changes of life.

Robert Woodberry in his 2012 study the Missionary Roots of Liberal Democracy, he concluded that when comparing liberal democracies such as Australia's with other forms of national government, half the variance in mass education and voluntary organisation, that is philanthropy of time, can be attributed to the work of missionaries. To be clear, SRE teachers are not missionaries but they commend the same Christian faith to children whose parents opt them in to our classes and this aligns with the Gross and Rutland study from New South Wales just before COVID that found SRE delivers key psychological benefits to young people, including, and I quote, "concepts of giving and generosity to others".

The second principle, that of a net benefit to government, the Alice Springs 2019 Education Declaration, it has as its second goal that all young Australians become confident and creative individuals who have a sense of self-worth, self-awareness and personal identity that enables them to manage their emotional, mental, cultural, spiritual and physical wellbeing. School principals are largely reluctant to wade into the spiritual wellbeing of their students. Physical wellbeing, absolutely. We have PE, give the teacher a whistle and some cones and give the kids a ball: we cover that. School principals are also well trained and equipped to help students manage their emotional, mental and cultural wellbeing. But, in my experience over 26 years in government schools, school principals are largely reluctant to wade into the contested space of spirituality and spiritual wellbeing of students. SRE when it works well, which only happens when it is well resourced with teacher training, curriculum development and advocacy to smooth the local school implementation, when it works well it allows young people in Australia to explore and manage their spiritual wellbeing all at no cost to the public purse.

The benefits of SRE to government go further. In Q4 last year Prue Car, the Education Minister, said 10,000 lessons a week go unsupervised in New South Wales public schools. Without donor support, SRE would collapse. In the worst case, perhaps another 10,000 lessons a week would go unsupervised. The government would need to find the funds to cover that.

The third principle, that of private benefit, it's quite simply – Commissioners, it's not borne out by Youthworks' experience. We would be one of the larger RIGS funds in Australia. The vast majority of our donations by value come from donors who will never have kids at public schools. There is simply no nexus between them and the beneficiaries of their donations. The data that I have confirms that RIGS funds clearly satisfy all three of the Commissioner's principles for ongoing DGR status. My colleagues will now speak briefly to the uses and sources of our RIGS funds.

MR STEVENSON: Thank you. My name's Andy Stevenson. I'm the director of SRE at Youthworks, one of the two largest SRE providers in New South Wales and my comments are very briefly around the scope of work that is done and the costings towards that and trying to also answer some of the data questions that were asked yesterday afternoon in line with that.

Yesterday, Better Balance Futures director Murray Norman shared the largest statistics of SRE, that there are around 11,000 SRE teachers across all faiths in New South Wales. Over 2000 of those are Anglican and we oversee them at Youthworks in our team. Up to 500 of these SRE teachers are paid SRE workers and just under 100 of those are working under the Anglican system and the Anglican provider and all of the paid – almost all of the paid SRE teachers and managed by combined provider groups, local SRE boards across New South Wales and also branching into Queensland. And a little bit later on SU Australia Generate Ministries, the largest service provider for these boards in the country, will share more details of that work. 380,000 students attend SRE in new South Wales overall and around 300,000 of those are under the broad banner of Christian SRE which, as was shared by ICCOREIS yesterday, there are 80 different providers of Christian SRE in New South Wales.

For Youthworks, as a large – one of the largest SRE providers, my team has oversight in terms of training and accreditation, authorisation and compliance, advocacy and support and developing curriculum and resources for these SRE teachers for quality SRE to be delivered to all the students in schools across New South Wales. We do this in line with the Department of Education's request – mandatory request to make sure that all providers ensure the quality of SRE teachers' training and accreditation and the materials we use to teach in schools. I help complete an annual assurance statement that says we will deliver this work and this work costs a

lot of money to deliver. The staffing resources we contribute towards this work that is largely donated is significant. Last year, we ran an SRE conference for 1500 teachers across Sydney and then across New South Wales from other providers as well and even that alone cost around \$50,000 to run and it is heavily subsidised for participants attending. Our team, the team that I have, is almost entirely funded by donations. Without this work, SRE would cripple in terms of its management and quality control and working and relationship with the Department of Education and its policies and compliance. The people that donate towards this work, well, I'm going to hand over to Glen Richardson to talk to you about those.

MR RICHARDSON: Thanks, Andy. Good morning, everyone. I'm head of Donor and Community Relations at Youthworks and, amongst other things, I'm responsible for managing the donor file. In the last 12 months, we've have 832 individuals make a donation to Youthworks because they believe in the importance of SRE in public schools. Significantly, just eight of them contribute about 30 per cent of all donations. Seven of those eight large donors either have no children of their own or they choose to send their children to private schools and yet they continue to give generously to support SRE in public schools because of their passionate belief in its value.

So currently this is the DGR eligible funding that allows Youthworks to deliver the 250,000 SRE workbooks to students via 2000 trained and accredited volunteer SRE teachers that Andy has just spoken about. So, in summary, there is a relatively small number of individuals giving, for no personal benefit, into a very large and diverse cohort of beneficiaries. So what is clear to me is that as I look at page 188 of the drafter report which says, "in these cases, the nexus between donors and beneficiaries is unlikely to be as direct as compared with activities such as schools or childcare". And so it being very difficult to discern a direct nexus between one donor and any single beneficiary, so no substitution between fees and donations, then seems to me that there really is no case on that basis for the removal of DGR status for gifts to the religious instruction in government schools. Thanks for – collectively, thanks for the opportunity to present. Thank you.

DR ROBSON: Thank you very much. So I just reiterate, given your comments, Craig, that as we said in our report and – and elsewhere today and yesterday, you know, the Commission does recognise the value that faith and – and religion plays in the Australian community and the role in particular that it plays in donations and volunteering as inspiration for that and also, of course, charitable activities more generally. So, you know, I just wanted to put that on the – on the record again. With respect to school building funds, I just note that the recommendation there does apply to government – non-government schools. So we can debate the – well, have a conversation about the – you know, the merits or otherwise of that recommendation. I just - - -

MR ROBERTS: Certainly. Thank you, Commissioner.

DR ROBSON: - - - did want to point out that the idea is that it does apply to – to government schools as well, appreciating that, you know, most of these are in non-government schools. And also the point around ethics that, in fact, the recommendation would apply also to – to ethics - - -

MR ROBERTS: That wasn't – I didn't - - -

DR ROBSON: So that's not excluded as well. So - - -

MR ROBERTS: I didn't see that in the report. Thank you.

DR ROBSON: - - - I just wanted to get that on the record. And, again, we can have a conversation, and I'm hoping we will, about the merits or otherwise of – of that draft recommendation. So it's just in the spirit of – you know, we really – we're here to listen, we want to have a genuine conversation. We're not here to take on any other roles with the purpose of the hearings. I was particularly interested in, Glen, your – the data that you had on – on this – the nexus between donations and - - -

MR RICHARDSON: Yes.

DR ROBSON: - - - beneficiaries because that is the third principle. So – and you did provide some data, we're very thankful for that. Do you have any other comments or has that changed over time or – or – and what would you expect if DGR was removed, what would be the impact on those donation? Would there be a large response in your – your sense of it? I mean, you're close to it. What – what do you think would happen?

MR RICHARDSON: Well, can I share an example just from two weeks ago. A donor came to me and said he had just had a significant taxable windfall on a foreign currency transaction and he asked could he make a donation to our RIGS fund as – he would be happy just to take the after tax benefit but he donated the whole effect windfall to Youthworks, which ran deep into six figures, and in – the large part of that conversation focussed around the assurance that he would get a 100 per cent tax deduction. So that stimulated alone a very sizable philanthropic donation which aligns with the purpose and intent of the current legislation.

DR ROBSON: And it's not connected to any particular school, that donation?

MR RICHARDSON: This – this couple would be in their 50s. They have no children, never will have children, but they see the worth and value of SRE for, as he explained to me – Sam is his name – as he explained to me, on individual children, on local school communities and on Australian society at large.

DR ROBSON: We are interested in – I think you – and you spoke well about the – the spillover benefits, so it was obviously the benefit to the person directly receiving it. Talk – talk a bit more, if you could, about those – the spillover benefits. So when the person goes out of the classroom - - -

MR RICHARDSON: Yes.

DR ROBSON: - - - and, you know, might create benefits for someone who has not been in the classroom.

MR RICHARDSON: Yes.

DR ROBSON: Whatever it might be, might produce more social cohesion, more social capital, so those sorts of things.

MR RICHARDSON: Yes. Well, that – that was one of the – the findings of the Gross and Rutland study from 2019. They – they discovered the creation of a – what they called a thick multiculturalism within school communities. Andy is on the ground in schools, he can perhaps speak to this in his role, thinking particularly at the moment his role alongside Jewish and Muslim SRE teachers and there are some wonderful on the ground stories of Andy and his team

achieving what the United Nations cannot. But, as I talk to rabbis and imams, to Buddhist monks, typically they might have – or they’ve got less than 10 per cent of kids in SRE in New South Wales and they are clustered around certain suburbs, when I talk to those multifaith providers who might only have a few kinds in the school, what they share with me as we walk out of the school gate, they feel welcomed. When the – the Jewish, the Muslim, the Hindu, the Baha’i, the Buddhist student sees one of their faith leaders welcomed into the school, well, their – their leaders tell me that the kids – they just stand a little taller in the playground, confident in their identity. And that’s part of what resilience looks like, being able to stand tall amongst the chances and changes of life.

DR ROBSON: Thanks. And – you know, an alternative to DGR more generally that we’ve canvassed in the – in the report is obviously government grants, what would be the, you know, potential advantages and disadvantages of if that was to – would it be feasible to replace funding, you know, in that way or – or – or not? I’m interested in your views on that.

MR RICHARDSON: Yes. Well, I think they’re – they’re – they – they’re both legal tender. If – if the quantum is the same, no problem. But as – as we would, co-Commissioner Ms - - -

MS ABRAMSON: Julie.

DR ROBSON: Julie.

MS ABRAMSON: Julie’s fine.

MR RICHARDSON: Julie and I were – were talking earlier, I can see very quickly it would create – or it threatens to create the haves and the have-nots, where those who are skilled and connected at lobbying and know how to play the government grant game, they will win and others who don’t have the resources, aren’t as skilled, perhaps English is not their first language, they are likely to lose. So I - - -

DR ROBSON: Just on that - - -

MR RICHARDSON: Yes.

DR ROBSON: - - - but hypothetically in the case of, say, receiving support through the DGR system, don’t you have a similar sort of challenge in terms of those that are connected to people who have liquidity events and - - -

MR RICHARDSON: Yes. Yes.

DR ROBSON: - - - want to make a donation whereas, say - - -

MR RICHARDSON: Sure.

DR ROBSON: - - - some communities may not have those connections and the capacity to receive support wouldn’t be as strong.

MR RICHARDSON: Certainly. Well, perhaps, Andy do you want to talk to the range and reach of your team across all stratas of greater Sydney and New South Wales society?

MR STEVENSON: Yes. I think as our team meets people in churches and works with people that are considering working in schools doing SRE teaching, I've talked to some people who have been in corporate business and been able to provide donations for SRE but then they also – it won't be on the ground and then alongside them are other people that want to give far beyond their means and their wealth is nowhere near as significant. And that has been the case across all faith groups as well. So a lot of my work is advocacy and working with schools and I'll go in together with other SRE providers and we'll have discussions about getting support. I think when Glen says we have 832 different donors last year, the scale is diverse but I think that's quite uniform across the different religions. And I think many have said to me the work is growing. Population is growing, the work is growing. You know, the – they can see the same vision in one sense and are keen to donate towards that. I think if there were government grants, that would in one sense be slightly limiting and I don't even know whether those government grants would even exist.

MR RICHARDSON: Yes. That's right. Yes.

MR STEVENSON: Yes. And we – I mean, out of that 832, I spoke about the – the major end of that. But at the other end of that, there's 750 people who give us less than \$1000 a year.

MR RICHARDSON: Yes.

MR STEVENSON: And there's lots and lots of 10 and \$20 a months in there, lots of people who are giving out of strong commitment to their – to their faith and the outcomes despite, you know, increasingly difficult circumstances for many of them. So it's – it's a – it's a broad church, you know, in terms of who – who supports us.

MR ROBERTS: And perhaps if I could just speak to another risk that I can contemplate. If it was government funding, typically there is a positive correlation between funding and electoral cycles. The reason that Andy and his team are so effective is that they are so skilled and they come and work with me because I can guarantee them tenure and – and a career rather than just a three- or a four-year gig. And so I'd want to think some more about substituting DGR where we have multi-year – sometimes we have multi-generational commitments to this philanthropic work as opposed to government funding that might be tied to an electoral cycle.

DR ROBSON: But the only reason we ask about this - - -

MR ROBERTS: Yes.

DR ROBSON: - - - is really that we're looking at this holistically - - -

MR ROBERTS: Yes.

DR ROBSON: - - - in terms of in chapter 2 in the draft report we talk about the governments and the communities they represent and they've got resources to provide goods and services - - -

MR ROBERTS: Yes.

DR ROBSON: - - - that the community needs and there's different ways they can do that - - -

MR ROBERTS: Yes.

DR ROBSON: - - - and we need to think of that bigger picture. That's the only reason

MR ROBERTS: And I acknowledge the opportunity cost to the public purse on granting any tax deduction.

MR STEVENSON: And it's probably worth saying there are levels in terms of donation as well in that there are the organisations like us and others that are speaking today that need to try to get significant levels of donation but then there are these local SRE boards where – I chair one down on the – down in Illawarra and I have 100 donors and they range between sort of \$5000 and five dollars. And so, in one sense, there's more accessibility for these local boards across New South Wales as well for all kinds of different levels of donors. So they're – I would then at that point say there's a widespread opportunity for everybody to be able to contribute to this work. So it's less about the haves and have-nots, so to speak.

MS ABRAMSON: I have a few questions. I mean, one question is that given that people are giving maybe \$10, \$20, do you think that DGR is a really important contribution for people donating? I mean, I understood your example with the windfall gain, but would people donate anyway?

MR STEVENSON: I've – I pastored a church for 20 years and in the last seven years I've been – six years I've been in this role. When I've spoken to, in my case, Christians about the current kindness of the government in allowing tax-deductible giving, my message to them has consistently been and remains to this day when we access DGR status it's not to make our – our philanthropic giving cheaper, it's to allow us to be more generous. So I say “you work out how much you want to give, tell me your marginal tax rate and I'll tell you ‘let's add that on' and that's how much you give”. So I am convinced in the – the cohort of donors that I have contact with that DGR status amplifies the philanthropic dollar. I expect many of them would still give but at a far diminished rate and that would then compromise our ability to deliver the benefits that I've articulated in - - -

MS ABRAMSON: I understand, thank you. Two questions. The first one might seem a bit odd, so I'll explain the background. And it's really, I think, for you, Glen. How much of your contributions do you get by cheque?

MR RICHARDSON: Less and less.

MS ABRAMSON: Yes. Because there's a reason I'm asking you this.

MR RICHARDSON: Yes.

MS ABRAMSON: Because the government is committed to removing cheques by - - -

MR RICHARDSON: Yes.

MS ABRAMSON: Within four years so we have other evidence from other organisation that actually a substantial part of them – the donations they get are by cheques.

MR RICHARDSON: Yes.

MS ABRAMSON: So we're interested - - -

MR RICHARDSON: Yes.

MS ABRAMSON: - - - to understand.

MR RICHARDSON: I wouldn't call it substantial in our case.

MS ABRAMSON: Yes.

MR RICHARDSON: I mean, in extreme examples we still get \$5 notes wrapped up in tin foil sent to us in the post so, you know, there's that at one end. There's some cheques in – in the middle. But – but largely it's electronic and I think the – the cheque-using demographic is on the wane across – across the society generally and that's probably true for our donor base as well.

MS ABRAMSON: No. That's helpful, thank you. The other one is you've got some really interesting comments on volunteering in your submission because we've seen a decline in[volunteering but you saw an uptick in volunteering.

MR RICHARDSON: Yes.

MS ABRAMSON: So I'm just kind of interested as to the factors you think might be at play as to why you've got a difference from national statistics.

MR RICHARDSON: Yes. I think – I mean, a little bit, obviously, I guess population growth. There's more – there's more students in the schools, there's more work to be done. And then I think part of our work is helping mobilise and train and accredit everybody and so therefore outlining clearly what is required and then trying to make that achievable and, you know, sometimes we feel like that's – has varying success. But in recent times we've seen a real – a growth in SRE teaching numbers because I think people have seen the significance of the work and also have looked at state schools and New South Wales in the state that we operate in and said there needs to be – these students need help. So I think it's the vision and the work and the kids, they want to contribute to society and our job is to put that vision before people, mobilise them and train them efficiently.

MS ABRAMSON: Thank you. Krystian Thank you.

MR SEIBERT: I just wanted to go back to the – the DGR system. You may have seen that in the draft report we proposed the status quo for charities with the sole purpose of some type of advancing religion, so sort of worship charities. And it's not actually the Commission sort of breaking new ground there because that was – a similar recommendation was made by the not for profit sector tax concession working group in 2013 when they made recommendations regarding the reform of the DGR system. So I wanted to sort of ask do you think there's a different rationale or not for, say, DGR status for special religious education in public schools versus DGR status for charities with the sole purpose or subtype for advancing religion as well? Or is it – is there something distinctive around special

MR ROBERTS: Yes. I guess it depends on our understanding of advancing. We make it very clear that – and in conversations with the government, we're in agreement. We do not proselytise, we don't evangelise. What – what we do is allow parents to have informed choice

about the faith education of their kids in government schools or not and they opt their kids in to our classes and we – the phrase I use, we nurture faith where it is found. So I – I guess is deepening the faith of an individual advancing religion or is – is religion adding to the number of adherence. I – I guess I want some clarity around that.

MR STEVENSON: Our policy is pretty clear when it comes to SRE. And our – we – in our training, it's quite rigorous that we're there to educate about the Christian faith. So – yes. I've heard that discussion about advancement and I think, as I've talked to local principals in school, they've said "you're very professional in what you do" and they understand the goals and outcomes that we're seeking to achieve and they do line up with policy. So I think – yes.

MR SEIBERT: Yes. And I wasn't alluding to – the different purpose there, it's actually more about whether there's something distinctive about special religious education rather than, sort of advanced – sort of other ministry and other activities.

MR STEVENSON: I think because it is embedded in our state curriculum, so here and RI in Queensland, it helps deliver the – the – the goals of our – of our education ministers, federal and state. They recognise that we're all spiritual beings. One person said we're having a spiritual experience in a physical body and some people choose to shut the stadium roof, others want to crack it open and look up. SRE allows kids a safe place to have the stadium roof cracked open and they can look up or they can just look down and enjoy the sunlight.

DR ROBSON: I've got one more question then we'll have to go to the next set of participants but it's following up on Julie's question which was trying to get at this – and it's a more general question we're interested in is the responsiveness of people with different income levels to And so I think, without wanting to put words in your mouth, your – your suggestion is that a person on a higher income and at the very top end with these liquidity events would be far more responsive to a tax price for – the technical term than someone at the lower end, was that fair enough?

MR ROBERTS: Agreed. And if – if we want to have a – a crack at achieving the Albanese government's objective of doubling philanthropy by 2030, we've got to attend to the top end of town whilst also curating and caring for the other 95 per cent. There's got to be both hands, not – not either or.

DR ROBSON: And just – sorry, I did say that was the last one; I've got one more now.

MR ROBERTS: You are the Commission, you can do what you like.

DR ROBSON: Yes. That's

MS ABRAMSON: He's the presiding Commissioner.

MR SEIBERT: Go forth.

MS ABRAMSON:

DR ROBSON: Around the larger – or even the smaller donations that you receive, are they – is it untied or tied so people just give without condition? Because often in philanthropy we discuss

it in the report that, you know, it's – at the one end of the spectrum there's an untied really genuine giving and at the other end it's almost like a procurement contract.

MR ROBERTS: Yes.

DR ROBSON: And so what – what's the situation?

MR RICHARDSON: Yes. We have a – we have a – Youthworks as an entity has a range of – of vehicles that people can give to.

DR ROBSON: Yes.

MR RICHARDSON: So there's a assessment of circumstances.

MR ROBERTS: Yes. There's a foundation, there's a college, there's a few different places where the money is spent. The vast majority – I'm quickly just trying to do some numbers here. Probably 90 – 92 per cent of it is given untied to SRE - - -

DR ROBSON: Okay.

MR ROBERTS: - - - for the broad purpose of running Andy's team to deliver SRE in public schools.

DR ROBSON: Okay. All right. Thanks very much.

MS ABRAMSON: Thank you.

DR ROBSON: Yes. Thank you.

MR ROBERTS: Thank you for your time.

MR STEVENSON: Thank you.

MR RICHARDSON: Thank you.

DR ROBSON: Thank you.

MS ABRAMSON: Thank you.

MR SEIBERT: Thank you.

MR STEVENSON:

DR ROBSON: Welcome.

MR CARMICHAEL: Thank you.

DR ROBSON: Yes. So if you could please state your name and the organisation that you're from and then if you'd like to make an opening statement, we'd very much welcome that. And then we can get into questions.

MR CARMICHAEL: Sure. Thank you. So my name's Josh Carmichael, I serve as the national director for Religious Education in Schools for SU Australia Generate. I'm joined by my colleagues Dave and Jono, I'll let them introduce themselves.

MR PARKER: I'm Dave Parker, group director of engagement for Scripture Union Australia.

MR MARSHALL: And Jono Marshall, regional director for New South Wales Central.

MR CARMICHAEL: Well, Commissioners, thank you for the opportunity to speak to our submission today. As I've said, my name is – my name is Josh. And as noted in our submission, SU Australia is an inter-denominational Christian movement with over 1200 staff and over 12,000 volunteers working alongside a wide range of churches and community groups, school communities also, serving these communities throughout Australia. One focus area we have is in supporting the delivery of religious instruction in government schools and it's in our role as a service provider in this regard that we present to you today. And it is in this specific area, religious instruction in government schools which was the focus of our – our submission to you.

So in the area of special religious education, religious instruction or special religious instruction as it is variously known around the country, we employ over 130 teachers, instructors and/or coordinators on behalf of over 100 local volunteer committees representing over 750 churches across New South Wales, Queensland and the Northern Territory. Such programs in government schools are heavily reliant on tax deductible giving. The 100 plus local SRE and RI committees partnered with us are either set up as incorporated associations or as subcommittees of SU Australia ensuring financial and governance transparency. These committees receive approximately \$2 million in tax deductible giving annually and this comprises over 15,000 separate donations each year.

It's worth noting, contrary to what we believe is conflated assumption in the draft report, that giving toward religious instruction in government schools is at very minimal risk of being any private benefit to the donor. The donors are not giving for the benefit of their own faith community, their family, students or alumni but are motivated instead by their religious beliefs and convictions and there are several submissions to the Commission that have confirmed this. We're concerned about the Commission's recommendations to withdraw DGR status for organisations responsible for religious instruction in government schools and we believe it should be removed for the following reasons.

Firstly, there is a broad affirmation in the Australian education system of the positive role that religion and spirituality plays in the lives of Australians. Federal government leaders have consistently affirmed the importance of spiritual wellbeing in the lives of students. In the Alice Springs Mparntwe Declaration of 2019 highlights this commitment to spiritual wellbeing as part of a holistic educational experience for government school students, saying education plays a vital role in promoting the intellectual, physical, social, emotional, moral, spiritual and aesthetic development and wellbeing of young Australians and in ensuring the nation's ongoing economic prosperity and social cohesion. As part of this commitment to spiritual wellbeing, state and territory policy throughout Australia continues to make space for faith-based religious instruction programs. These programs help schools to achieve a more holistic education for participating students and allow an opportunity for students of families who cannot afford religious schooling to access instruction in the faith of the family through government schools.

Secondly, there's an extensive growing evidence base that supports the positive role that religion and spirituality plays in people's lives. There's a growing body of quality research evidence that indicates what we tell ourself about life and its ultimate significance is central both to our health and wellbeing and to the prevention and management of physical and psychological disorders. These benefits are borne out in research specific to religious instruction in government schools. Professors Zehavit Gross and Suzanne Rutland in their research work *Special Religious Education in Australia and its Value to Contemporary Society* highlighted that special religious education provides key benefits to students including an effective values-based education, important psychological benefits, strengthening the multicultural fabric of schools and creating safe places for students to explore deeper questions of identity. Holding the findings of professors Gross and Rutland alongside Mparntwe Education Declaration, it quickly becomes apparent that SRE and RI are aiding government schools in achieving some of their stated educational aims around student development and wellbeing, especially social, emotional, ethical and spiritual aspects. Indeed, along with school chaplaincy, we believe you would be hard pressed to find another program in Australian schools that contributes as positively to the spiritual development and spiritual wellbeing of students as SRE and RI do.

Thirdly, there is a strong link between religious instruction, charitable giving and volunteering. We believe the Commissioner's draft report by its recommendations creates a false dichotomy between what they see as helpful religious endeavours such as social welfare services which would maintain DGR status under the recommendations and what they see as more self-serving, perhaps, religious endeavours, for example religious instruction, which would lose DGR status. There is some acknowledgment of the interconnectedness between religious belief and several helpful charitable endeavours in the draft report. However, it fails to recognise the vital role that early religious instruction such as religious instruction in government schools plays in developing these values of charitable giving and service that carry on into later life and are of such benefit to this country.

In our submission, we cite a number of examples of the inextricable link between religious instruction in early years and charitable service and giving in later life. The two go together like a horse and carriage; one follows the other. The value of this charitable service to Australian society, as highlighted in our submission, amounts to tens of billions of dollars annually. Removing DGR status for giving to religious instruction in government schools will result in an under-supply of instructors both paid and volunteer. In time, this will compromise a proven supply line of adult volunteers who, being grounded in a faith in younger years have for generations been over-representing in, among other things, feeding, housing and caring for many of the poorest and most vulnerable in Australian society.

The Commission has received several submissions from SRE boards partnered with us whose service to their local schools goes much further than the SRE classroom. The local churches in these arrangements, when invited by schools, are pleased to help meet some of the felt needs of students and families in their school communities in the form of food, clothing, furniture and the like. SRE, RI, SRI is the program that links these local schools and these local faith communities in this way and we – we struggle to understand why they would put this at risk by the proposed reforms.

I'll skip over my fourth point because it has been clarified that ethics will be included in – in the – the recommendations around religious instruction in government schools. But I would like to say this for the record, that we would endorse the Commission to consider maintaining ethics'

DGR status in the same way as religious instruction in government schools as the parliamentary bill in 2013 sought to do.

And – and fifthly, lastly, removing DGR status will cripple the system that supports the delivery of quality SRE and RI programs in government schools. The delivery of quality religious instruction programs in government schools throughout Australia, but particularly in New South Wales and Queensland, is supported by a number of faith-based organisations like ours and Youthworks who presented before. From local churches, mosques and temples who provide the teachers or instructors to volunteer SRE and RI committees that fundraise and support paid workers to denominational and faith-based providers of such services who are responsible for the authorisation, the ongoing training and compliance of these teachers, instructors, to parachurch organisations focussed on the development of quality curricula and quality people for such religious instruction programs in schools.

The stakeholders in this ecosystem are many and varied. Most run on already tight budgets and rely on the generosity of individuals for their survival and the survival of such programs. The removal of DGR status for giving to such organisations supporting SRE, RI programs will likely result in the collapse or partial collapse of this ecosystem creating an undersupply in the market for schools. To have state education departments rightly, we believe, raising the bar of compliance and standards around the delivery of SRE and RI programs in government schools on the one hand and now to have the Productivity Commission recommending to the federal government a move that will cripple the system that supports the meeting of these more rigorous standards on the other hand by the removal of DGR status for these organisations that support the delivery of this work seeks to us counterintuitive and counterproductive.

Removing DGR status for giving to religious instruction in government schools will result in many SRE and RI programs being discontinued in government schools due to the breakdown of the structures that support the work. It will create a shortfall of paid SRE, RI staff and volunteers, putting administrative stress on schools and on SRE and RI providers while also denying students and their parents the right to religious instruction as part of a holistic educational experience.

So in conclusion, we are concerned that to disincentivise giving to religious instruction in government schools by removing DRG status will disenfranchise faith-based communities, particularly in government schools where there is very minimal risk of any private benefit being gained by donors and – and much community-wide benefit to be achieved. If the Commission’s goal is to double philanthropic giving, would you not seek to champion faith-based communities working at this grassroots level to nurture young people in the faith of their family who will give of their time and resources to both religious and non-religious charities more generously than the average Australian population later in life. Surely SRE and RI in government schools becomes an even more vital program for young people in the hope of achieving the governments aspirational philanthropic giving target.

SU Australia’s vision statement is, “every child, young persona and family in Australia has opportunities of transforming experiences with Jesus and a lifelong journey of discipleship and serving a world in need”. According to the Commission’s proposed approach, transforming experiences of Jesus and a lifelong journey of discipleship would be considered purely religious activities whereas religious organisations like ours would see those activities as inextricably linked to the public benefits wrapped up in serving a world in need. The Commission’s conception and articulation of religious activities as outlined in the report suffers, we believe,

from a lack of understanding of the interconnected and nuanced nature of actual religious belief and practice. Removing DGR status for giving to the foundational building blocks of this kind of faith journey for some young people of which religious instruction in government schools forms a major part will severely hamper our efforts and the efforts of similar religious organisations. This in turn, we believe, will be of detriment to wider Australian society. Thank you.

DR ROBSON: Thank you. Krystian, did you want to - - -

MR SEIBERT: Thank you for joining us today and for sharing your perspectives and views and we really are interested in – in understanding them. I just wanted to step back because we're looking at the DGR system holistically, we've got those principles that Alex talked about earlier that we're trying to use to sort of guide our thinking about the – the system as a – as a result of the fact that over many decades the system has evolved in a very ad hoc manner without sort of much thought of going into sort of what's been added on. And I suppose that's the context for what we're doing. And so my question is we're not proposing to expand eligibility for DGR status to, say, charities with the sole subtype of advancing religion, so say worship charities, and also for schools in general, sort of for tuition and that's, you know – there have been other recommendations by other processes such as the not for profit sector tax concession working group that have made similar conclusions in the past. So my question, I suppose, is there something – similar to what I asked to our participants earlier, is there something distinctive around DGR for special religious education in public schools versus DGR for advancing religion or education more broadly? Is there something unique and distinctive there that would, say, justify retaining it there but maybe not in a broader sense?

MR CARMICHAEL: Yes. Sure. I mean, I think a key part of religious instruction is that it's happening in – in a young person's most formative years and – and what we're – what we're working on is – is seeing the wellbeing benefits that – that come from being educated in the – in the faith of the family. As – yes. And – and the – the link that we've highlighted, that inextricable link between this grounding in the – in the faith of the family which – which doesn't – if not for SRE and RI programs may not come in – in other ways. Our information tells us that a number of these students are signed up to these classes without having any link to – to a faith community. It's, you know, something that's in the – in the family history and for whatever reason they're signed up to these classes but this is, for many of the students, the only opportunity they get to grapple with – with matters of a spiritual nature. And so that's what I think is quite unique about these programs in schools.

MR SEIBERT: Sort of a broader question around the origins of it because it seems it's quite different sort of the context in, say, New South Wales to elsewhere and it's – it's embedded in the Education Act here as well. Is there any – because you operate in different jurisdictions, are there any sort of, yes, perspective you could share around sort of how it's evolved differently in different jurisdictions, it's sort of part of government policy here whereas elsewhere there's different policies, sort of what the – yes, what's that the product of?

MR CARMICHAEL: Yes. Yes. Sure. So these programs or similar programs are – are allowed to be taught in – in every state and territory jurisdiction around Australia. There are different rules that – that govern those. So New South Wales and Queensland probably share the most similar – similar policy in this regard, that there's time set aside in the course of the school day for religious instruction in the faith of the family to – to happen where there are providers that can – that can do that. But there are equivalents in – in all states and territories. Very

similar policy in Victoria only that it has to be delivered before or – or after school. In – in South Australia they have opportunity for people from the Christian background to go in and – and teach what they call the Christian Optional program there where there's a couple of seminars a term that can get delivered and – and the Northern Territory is – is actually quite similar to – to Queensland in – in their approach that these – these classes can happen during school hours. Yes. So around the country there is – this program happens in one way, shape or form right around the country. Only to say that in New South Wales and in Queensland it is, I would say, more organised with more levels of – of support. In some of these other states and territories, it is – it is left to local churches, local faith communities to – to engage with local schools and policy allows for that – that to happen. Canberra's another example where it's reliant on – on parents expressing an interest in these programs happening and the principals are led by that – that parent interest in allowing these programs in schools.

MR SEIBERT: Thank you.

MS ABRAMSON: Thank you. I wanted to ask some questions about volunteering. So – and I'm just putting – because we're having a conversation about it, it's not necessarily that we have a particular view, but wouldn't the people who do SRE, wouldn't they volunteer anyway to do it?

MR CARMICHAEL: Look, a number of them probably would, would continue if the opportunity remained there. That would be my – my sense because they're driven by their – you know, their beliefs and their convictions to do that. It's a – it's kind of a love job on the side for a lot of these – these people. But as has – has been highlighted by Youthworks, there's an increasing level of compliance that is required to get these – get these teachers over the line in – in terms of what is acceptable for – for schools to have them coming and teach. And so we really do need those support structures, support networks in place. I'm – I've heard of a couple of SRE providers in New South Wales this year who have pulled the pin on being an SRE provider because some of those compliance requirements are becoming – are becoming all too much for them. So I think you would still have willing volunteers but I think it would have a detrimental effect on the support networks that – that are around this.

And our focus particularly, what we're seeing – the Youthworks are in a great situation where volunteering numbers are increasing, but – but around the – around the state of New South Wales particularly, which is where the major focus of – of our work is, we've noticed a steep decline in – in volunteering and that has been impacting on this space. And so the solution of local churches has been that we need to – we need to employ someone in this space to – to pick up some of the slack, effectively, to coordinate the volunteers that we have to make that a positive experience for them and to seek to recruit more volunteers to – to cover the classes that are needed to be – needed to be covered. So we're seeing this particularly in larger regional areas in – in New South Wales. So if I look where our – our primary school base coordinators that we employ on behalf of local churches are, they're in places like – they're in places like Dubbo and Grafton and Coffs Harbour and Goulburn, Wagga, Aubrey, larger regional centres where they have 12, 15, 18 primary schools to cover in terms of religious instruction and they – they just need someone who can – who can be the point person for that and – and manage that.

MS ABRAMSON: It also seems like – thank you, that's really helpful. We see in general statistics that faith is declining or people professing to have faith but the evidence that yourselves and other groups have led is that actually there is still people really valuing that faith and wanting their children to be instructed in it. So I'm interested in this mismatch between what we

see aggregate figures from the ABS, you know, of “do you profess religion” and what you’re actually seeing on the ground and the need that you – you’ve talked about.

MR CARMICHAEL: Yes, definitely. Well, I think the – I mean, the last sentence bears out that – that three in five Australians still profess faith, over three in five still profess faith in some way, shape or form in terms of their religious affiliation.

MS ABRAMSON: But I think there’s an age demographic at work there too in terms of who’s - - -

MR CARMICHAEL: Yes. Yes. It’s skewed towards the higher – higher age groups.

MS ABRAMSON: Yes.

MR CARMICHAEL: Yes. Yes. I – I appreciate that. Yes. But – but what we – what we are seeing in – so in government schools in New South Wales particularly because, again, that’s where our main focus is, we have seen a decline in – in enrolment numbers in SRE over the last sort of five years. For – for some part that has been, I think, to do with what we’re seeing in terms of national trends and – and – and engagement with – with faith in those national trends. But there’s also been some – some really strong headwinds in terms of how they have administered the – the policy for signing up to those – signing up to those programs.

And so in a show of support for special religious education in – in recent times, the Department of Education has implemented an – an online enrolment process for students to attend SRE and – and this year particularly, now that that – that has been implemented by about 60 per cent of schools in – in New South Wales, we’re seeing a really strong uptick in – in enrolments. The issue with the previous system was that we were at the – at the mercy of the local school as to how well or how poorly they administered a process to hand out notes and get those back from – from parents. But – and this is without the question even being a compulsory question on the – on the online enrolment system. So yes, I take the point that – that nationwide there – there is a trend away from – away from faith but we’re still seeing a lot of – a lot of parents, for whatever reason, choosing to – to enrol their – their students in – in these classes.

MS ABRAMSON: Thank you. I should clarify, as Alex said right at the beginning, we can see the importance of faith and why it matters and to a large number of Australians it’s still a really important thing. We were very principle-based - - -

MR CARMICHAEL: Yes.

MS ABRAMSON: - - - about how we applied our principles. I was just taking the opportunity to ask you because we see this trend but you’re delivering a service that – that people clearly value, so just interested in that. So thank you.

MR MARSHALL: Can I – can I just comment on your previous question as well, just – just for context. So SRE, I think – I think we might imagine that’s mostly in – in primary schools with young people where – where I don’t disagree that – that people would still volunteer though, as Josh commented, we are seeing people employed to – to engage and harness - - -

MS ABRAMSON: Yes. It’s complex.

MR MARSHALL: - - - the volunteers. But a significant part of our context is actually in high school. And so I – I’ve worked with teenagers most of my life. I don’t – I don’t – I don’t think there’s many people even – even with their – their, you know, religious background may volunteer to teach year 9 boys as – as an aside. But – but, more importantly, actually, when it comes to the – the economic space that we are currently in, it’s in the news all the time, the idea that – that a single income or people have more free time to volunteer, we know that is not true.

MS ABRAMSON: Yes.

MR MARSHALL: And so this is a paid model that we are talking about - - -

MS ABRAMSON: Yes.

MR MARSHALL: - - - that is fully fundraised. There is no government grants.

MS ABRAMSON: Yes.

MR MARSHALL: That – that is where the – the DGR status or removal of would significantly bite in – in what we would be able to achieve. And therefore the educational outcomes actually of a school, being able to tick that box of community engagement of – of caring culturally, spiritually the wellbeing of their students.

MR CARMICHAEL: Yes. And I guess related to that, in the same way that I think most volunteers in primary school, as Jono has highlighted, would gladly continue volunteering whether or not DGR status was in place. I think the same is – is probably true of a lot of – a lot of donors, those smaller donors. Like Youthworks have highlighted, we – about 80 per cent of the donations that come to us are people who are giving less than \$100 per – per annum. And so I think that that’s not going to be a huge impact on – on – on those people. But what I think the – the DGR status will – will do, the removal of DGR status will do is it will – it will prevent people from being generous in – in other areas and giving to not just religious charities but to – but to non-religious charities as well. The DGR status – which is something that these people are committed to, I think a lot of them, whether or not they get the DGR status. But what that will mean, the flow on effect will mean that they – they can be – they can’t be as generous to the other charities that – that they would normally or would want to – would want to give to and I think that’s counterproductive in terms of the doubling philanthropy target.

DR ROBSON: So you’re a service provider but you also raise funds, is that right? Or do you engage in that - - -

MR CARMICHAEL: Correct.

DR ROBSON: Yes.

MR CARMICHAEL: Yes.

DR ROBSON: And so with your fundraising – I’ll ask a similar question. Is there a – if someone donates, does it – is it to a particular school or is it just to you as a service provider and you then decide what you’re going to do? How does that work? Or is it a combination of both, sometimes it’s tied or untied and - - -

MR CARMICHAEL: Yes. So in the SRE space probably about 15 per cent of it is – is untied, people who will just contribute to the – the general bucket for support. We have – similar to Andy, we have field workers who are responsible for a region, for chaplains and for SRE workers in a region. But the way that our website is set up, because of the partnership arrangement that we have with SRE boards, our website is set up that you can search by – by a school, by the name of a board or by the name of a particular teacher. And so people will search for the – you know, the person, the board, the school that they’re – they’re wanting to contribute towards and – and then we will – we will allocate that – that donation to that – that board that is partnered with us.

DR ROBSON: And do you have any information, then, on whether that person, if they’re donating to a specific school, the nature of their connection? Do you sort of have any data? Is it a parent or a grandparent or anything like that or - - -

MR CARMICHAEL: Yes. Look, similar to what – similar to what Youthworks were highlighting, our typical – our typical donor would have – would have no children, no grandchildren that – that are attending these – these public schools. They’re – they’re giving as a way of supporting the local worker who’s going into the schools on – on behalf – that’s – that’s their personal connection. Their personal connection is with the worker who is going into the schools to deliver these lessons. Yes, not for any students that they – they might have that are going to get benefit from - - -

DR ROBSON: Okay. Thank you. Do you have any questions, Julie?

MS ABRAMSON: That’s great. Thank you so much.

DR ROBSON: Thanks very much.

MS ABRAMSON: Thank you.

MR PARKER: Can I just make one other - - -

DR ROBSON: Yes, go ahead.

MR PARKER: One other point, sorry. Just as a comparison, so we also work in the chaplaincy space under the National Schools Wellbeing Program. So DGR status was – has been, I guess, maybe temporarily removed for chaplaincy and pastoral care services in schools. We haven’t seen the full effect of this. This has only happened – I think it was in December last year; maybe it was the end of – or beginning of July.

MR CARMICHAEL: Yes.

MR PARKER: But we see a 30 per cent decline in donations in that time and we haven’t seen the full effect of that, with the most significant increase and donations given, obviously towards the end of the financial year. So there’s not a – I’m not making a direct comparison of chaplaincy to SRE, but in terms of the impact of the removal of DGR status, we’ve got hard data that it affects on the ground. And what that actually means is that impacts hours that a worker can be in a school, caring for wellbeing needs of a student and we suspect we would see at least at a similar, but the 30 per cent, that’s only kind of currently. We haven’t seen the full effect of that, but - - -

MS ABRAMSON: Would you be able to provide us with that data.

DR ROBSON: Yes, that would be really interesting. Yes. Yes.

MR PARKER: Yes, sure can. Yes. We can show that. It will - - -

DR ROBSON: Just give me a quick – you can talk to our team - - -

MR PARKER: That will grow between now and the end of financial year as well.

DR ROBSON: Absolutely. Yes.

MR SEIBERT: Could you just – very briefly, if you could just walk us through what the context for that is because I know that there was the proposal for the category for – a DGR category for pastoral care in schools, but so – but there was DGR – did you have DGR status before and that – so what happened there?

MR PARKER: Yes.

MR SEIBERT: Yes.

MR PARKER: Do you want me to tackle that?

MR MARSHALL: Yes, I'd love you to tackle that, Dave.

MR SEIBERT: I just hear the word DGR and it's like - - -

MR PARKER: Yes, yes, yes. No, no. Look, we were very fortunate. We had name DGR status for – well, it was featured in The Australian, so that did help. That was a significant impact and that obviously covered our chaplaincy. We lost name DGR status at the end of June last year, which is, as I said, the new budget implementation and that's what Jono is referring to there. That's already – just in a six-month period, we've noticed 30 per cent decline.

DR ROBSON: Is this a specific listing, is it, or was it - - -

MR PARKER: Yes. In terms of – we have named. So that covers - - -

DR ROBSON: Okay.

MR SEIBERT: Time limited, was it, sort of - - -

MR PARKER: It was time limited, but it was named in the budget.

DR ROBSON: I see. Okay.

MR PARKER: So it was actually named in the budget. So the removal of our name in the budget meant that it was removed.

DR ROBSON: Right.

MR PARKER: Yes. There were notions of extending it. It was about the government's change. So things change when that happens and so we found ourselves in this predicament.

MS ABRAMSON: Perhaps you might be kind enough, when your colleague provides us with data, just to give us a little snapshot.

DR ROBSON: Yes. I think just in case something – yes.

MS ABRAMSON: We had this. This is what happened.

DR ROBSON: Yes.

MR MARSHALL: Yes. Yes, very happy to do that. Yes.

MS ABRAMSON: Thank you.

MR PARKER: Yes. Yes, no problem.

MR SEIBERT: Yes.

DR ROBSON: Thank you very much.

MR PARKER: Thank you for your - - -

MS ABRAMSON: Thank you very much.

MR PARKER: Thank you.

DR ROBSON: Yes. Okay. Frances, I will be guided by you. What's the – who are we

MS F. LAMB: Adam with his

DR ROBSON: Yes, Adam Johnston. Is he - - -

MR A. JOHNSTON: He is.

DR ROBSON: Yes. Would you like to come forward. Because – it's because lots are turning up, I think.

MS ABRAMSON: Okay.

DR ROBSON: Yes, so we're moving to the next one.

MR JOHNSTON: Thank you very much.

DR ROBSON: Yes. Yes.

MS ABRAMSON: Okay. Thanks, Frances. And we have a submission on this one, don't we?

DR ROBSON: I think so.

MS ABRAMSON: I'm sure Adam sent us quite a detailed submission.

DR ROBSON: Yes. Welcome.

MR JOHNSTON: Thank you very much for inviting me and how would you like to proceed from here?

DR ROBSON: So if we can, just for the record, get the name and the organisation that you're with. And if you'd like to make an opening statement, we'd be happy to hear that. And then we'll get into questions.

MS ABRAMSON: Or in person, if you're appearing for yourself.

DR ROBSON: Yes. Or if it's just – yes, in a personal capacity, that's fine. Yes.

MR JOHNSTON: Certainly. My name is Adam Johnston. I appear here in a private capacity, so it's in person. And now I'll move to the opening statement. This is the story of a boy on a tin. When I was small enough to be picked up in Mum's arms, somebody asked her for a photograph. So emerged the little guy on the tricycle, in callipers in a school uniform with a rather toothy grin. Over the years, shop owners, cinema proprietors and others would approach us and I would happily put my initials on the tin. They got the bragging rights about meeting the talent and hopefully the tin would receive a few more coins.

Today, about 50 years on, I see posters of little kids in walkers and pushchairs, just like me. The same providers plead for the same donations. Nothing has changed. Another generation of children will know the pain and suffering of disabilities; families, the same economic, social and personal distress that my and – my family and I have already been through. Philanthropy is not delivering and I won't allow the bunyip aristocracy, proceeding and following, to kick the tin of cure down the road. No more money until they start delivering something really worth having. Commissioners, your questions.

DR ROBSON: Thanks very much. So tell us about, you know, the effectiveness of philanthropy from your point. I think you've got strong views on that and part of the report, we are asked to look at the effectiveness and measures of effectiveness and, you know, the link between donations and outputs. What – tell us your views on that and your experience.

MR JOHNSTON: Well, look, I'm very well aware that there's a higher degree of tax expenditures – and that in foregone revenue into the billings – that go to donations in the not-for-profit sector. I'm well aware that they are also in receipt of direct government grants, corporate donations and I'll make a frank acknowledgment here. I am a participant in the NDIS. This is a scheme that this – not you, but this commission put together and they said it would produce better lines, better services, more services and maybe for a few people, it has. But if you look at the statistics in the NDIA annual reports, what you'll generally find is that, for example, with employment; employment for those with disabilities generally has a five in front of it where the general population generally has an eight in front of it.

That – those sort of numbers have remained unchanged for all of the 10 years of the NDIA's and the NDIS existence. On the basis of this alone, I would say to you that a lot of philanthropy is just maintaining the status quo. It is not really changing anything. And I guess I come here today to appeal for that change, to say that I notice in your report, the table that you have of

where you're thinking of going in terms of the things that may still have a DGR status and the things that won't. And I must admit, I noticed that – table 6.2, I think, I've listed, of no change, no change. It went on for about six or seven items. I don't think the Federal or the State budget can afford a no-change scenario because it just costs so much money.

And again, I would ask what are we really getting out of it? Because it's interesting, I find, that in the NDIS itself, rule 7.5 of participant support. That specifically states that the scheme will support nothing that improves the functional capability of any participant. It makes me wonder why are we therefore just continuing the status of "You will, for all of your life, be disabled and anyone who is born subsequently with disabilities will continue to be disabled." I mean, it will just go on and on and on. Shouldn't we be aiming for something better while we've still got the money to do it? Because I can also see a scenario where the government now wants a seven per cent decrease in, for example, NDIS funding from its current growth rate of about 14.

Now, I can see that becoming a bit like a debt ceiling. Every year, it overspends so the debt ceiling gets raised and raised and raised and, sort of, where does this end? Because again, a lot of the providers are charities or registered or whatever. But again, they get the benefits of not paying tax and the people who donate to them get a tax discount. We cannot keep running social services – all sorts of things – if we don't start plugging the holes. And I'd also note in your report that a person – I guess this will be probably not the only, but one of the few times I will directly agree with ACOSS. The problem with DGR is that government really doesn't have oversight or control over where the money goes, but a lot of direct taxation is lost in the process.

I would be more inclined to say, let's strategically direct more work on our medical institutes. Let's cure a few diseases and major conditions and let's alleviate the costs of disability and chronic illness from a lot of people. Let's get people get back to work. Let's have people enjoy really normal productive lives. That would be possible if we more strategically spent time with our – on funding our scientists and our researchers, as we did through COVID. We took from a position of not having any vaccines, not having any antidotes, to within, what, two years, to having a roll-out of antidotes.

Why we can't we consider that there are any number of other critical conditions that require a national emergency sort of response; to reduce the burden of disease, to reduce the public outlays, to give people the sort of lives they really want to live. With that, I'll stop there.

DR ROBSON: Okay. Thanks. Yes, go ahead.

MS ABRAMSON: Can I ask a question about innovation. So you're somebody who has had a lifetime of experiencing philanthropy and I've read your recommendations which are very interesting. Are there any people who are doing philanthropy in an innovative way which is, you think, something that we should look to?

MR JOHNSTON: Look, I mean, I have not seen that as yet because my concern with all philanthropy is that there's an element that looks towards the tax deduction and again, I will agree with your prior speakers; they are concerned that if the tax deduction is not there, people will not donate. Now, I'm not entirely sure and I can't comment on those figures that they have but, to me, there is a question over what are people genuinely trying to do? Are they trying to lower their tax or are they genuinely trying to improve something? I mean, my sort of innovation would be to go back in history, as I've sort of suggested to you in the talking points, where it was, at the times of people like Lord Cook.

The Parliament itself would give, you know, royal charters for particular people or organisations to do things, like the East India Company. I think we actually have to get back to identifying what do we want philanthropy to do and who will we put – or who will we give the responsibility for doing specific philanthropic acts. And rather than just have a regulator who hands out authorities, we really need to bring it back to Parliament so there's an oversight and so there are objectives for each charity or philanthropic body that state very clearly, "This is what we expect you to do. This is the outcomes we want. This is the timeframe under which you are permitted to achieve it or we want you to achieve it and if you don't meet the timeframe, you've got to come back. You've got to explain why. You've got to explain what you've done with all the money and you've got to do that publicly, like in the budget estimates process."

Because in my experience, too many charities and philanthropic bodies and, without naming any names, I was on a Board of charity many years ago and this is what has sort of coloured my vision because again, I used to think (12.14.12) very benevolent, very well meaning, the total of spending and the – basically covering up of questionable dealings made my head spin. I eventually resigned because I just could not be associated with what was going on. Now, to the outside world, this organisation looked absolutely wonderful; butter wouldn't melt in its mouth. But you know, when you look under the hood, DGR and charity is not as innocent as it looks, which I guess is my – again, one of my concerns with the NDIS.

We are basically tethered to charity for the rest of our lives, whether we like it or not, because our disability demands it and that's the way the government has constructed it. But Oscar Wilde had certain things to say about charity and he actually spoke also in *Man Under Socialism* about the possible parallels between charity and slavery in that the best slave owners who took care of their workers hid the fact that the worst slave owners didn't. They did some dreadful things. Equally I would say the same thing in the charitable case. There can be some wonderful charities with some very well-minded people. There can also be some rather terrible charities and you only have to go through the log of the NDIS and mention names like Ann Marie Smith and David Harris to know the other end of that experience.

I felt much safer as a client of the State Government run Aging and Disability Department. Today, I feel my hair is sort of up in the air because every two years, the sword of Damocles comes out and every element of your care and your life is put up for contract again through the NDIS plan process and then we have to go out literally to market again and I wonder whether I'm the client or the product. So I think there have been changes in what charity is and what most people would think when they think about charity and I think several elements of it are not positive.

DR ROBSON: I might just ask that question; DGR and then DGI.

MR SEIBERT: Sure. Yes.

DR ROBSON: So if I can – if I understand you correctly, Adam, so your view of DGR – given what you said about, you know, the foregone revenue, is it your view that it should be better directed and – because at the moment, you know, a feature of it, many would say, is that, "Well, the government doesn't direct me where I put my donation and I can put it wherever I like and fill the gap, if I'm a donor." But you're

saying, “No, no, no. That’s – there should be some prioritisation, perhaps in the form of, you know, extra deductibility for something like medical research,” or – is that the kind of idea that you’re talking about.

MR JOHNSTON: Yes, I would and certainly I’ll admit a bias for medical research, for obvious reasons. Because look, I will make the literal case that by 2030, the NDIS will cost \$60 billion annual, according to Taylor Fry. What could that 60 billion plus have done if we’d invested it in medical research over the past 10 years? Now, we can’t exactly answer that question, but also I don’t believe it’s bad for government to give direction. I mean, that’s why we elect governments and more and more, when more organisations and more departments are made independent of ministers or more functions are outsourced to third parties, including charities, I begin to worry about a demographic and accountability deficit.

Because under the old system – let’s just ACNC and the NDIS – if something really went wrong, I could make a written complaint to the Minister and I could fax it off and if it was bad enough, the phone would ring that day and they’d say, “Look, we’re from, you know, whoever’s office. This is a problem. We will get it fixed.” Now, if I want something done, I have to go through the NDIA, put in an appeal and the Minister just refers it back to the agency because the agency – quote, unquote – is independent. And even before the agency does something, it refers me back to the provider; the independent provider who is supposed to have their own complaint-handling process.

Now, again, as I’ve said in the submission, it seems to be that our governments want to keep a certain segment of the population as far away from them as possible. Now, I’m a citizen. I am a subject of the King. I’d rather like to be treated like that by my own government. Now, I’m not saying that people can’t give their money to whomever they like. What I am saying is that when it comes to public policy and public money, I want to be absolutely sure that we’re actually getting, you know, bang for buck because – I mean, this Commission offer talks about value for money. I would argue to you that as things stand, apparently value for money is the last thing we are getting in many scenarios. And again with the medical research example, what moneys are we losing by the people who are – who we are not curing or not curing fast enough who could be back in the workforce, back with their families, back living fully productive and worthwhile lives.

DR ROBSON: So one our recommendations is around extending DGR for prevention, and so – and it doesn’t get directly to your point; it sort of goes in opposite direction, I guess, but I was interested in your comments around charities and good charities and bad charities and – yes, you mentioned one model would be, you know, that a charity would have to go before estimates – and I’m appearing before estimates tomorrow night, so I don’t know how I feel about that one, but that’s one end of the spectrum. But the other – at the other end, we have the ACNC. So they regulate charities and we’ve got some proposals around, you know, strengthening the regulatory framework and the role of the ACNC. Do you think, in that respect, we could have gone – we should have gone harder on strengthening their role or what’s your view on the regular - - -

MR JOHNSTON: Well, look, yes, I do, though everything I’ve heard of the ACNC is that it is under-resourced and it can only go after the very worst and the most egregious examples of malpractice. I would still then say that the problem is there are just too many charities or too many people offering themselves as some form of charity and what – again, that’s why I’m sort of trying to bring it back to Parliament and limiting the numbers of elements or organisations that can call themselves charities because I just think we’re getting to a saturation point where

something is going to happen; either the government is literally going to run out of money, because you can't subsidise something on one hand and give direct grants to it on another without something having to – happening to the budgetary – the budgetary outcome being so bad that it just impossible.

And I think there's also a question for government here in that in the last 20 to 30 years, yes, a lot of things have been outsourced to third parties, charities. Should some of these services start coming home to government because some of them are very public services. I mean, with all due respect to the last people presenting, I personally have a lot of difficulty with the amount of money that is now going to private schools because I'm well aware, from just general public reports, that the public school allocation is now somewhat less, whereas I thought that one of the core elements of government – its core business was ensuring that everybody got a basic education.

And in the last 24 hours, we've learned from the Grattan Institute, I think, that a third of Australia's children are having real difficulties reading. There is something very wrong and I think it has got, at least in part, to do with the fact that government is not taking enough direct interest and enough direct notice of elements of its core business, or what was its core business. And you can see the shift because – go back to the nineteen – late 1940s and Sir Robert Menzies giving his forgotten people speech. I mean, that speech talks about industry and the importance of small business, but it also talks about the role of the State; managing the economy, keeping the economy stable and providing basic services to ensure that everybody had a decent life and that we supported the sick and needy.

Now, that was from a Liberal who obviously also saw an important role for the State in everything that society did. And he'd also lived through two world wars and a depression, so he knew something about how desperate and how terrible things could become. And I think we've lost, in the modern day, some of those insights, some of the basic understandings of what government is for and we've transplanted far too much of that to the DGR sector.

DR ROBSON: Krystian, do you want to - - -

MR SEIBERT: Thanks so much for sharing your perspectives and experience, as we really appreciate it and for your submission as well. And I noticed in your submission, you talked about sort of how you remember your local Rotary Club. And we're really interested to understand sort of, you know, people's experiences in these grass roots community organisations because they can be – they play a different role to other charities and we sort of can find it difficult to get those perspectives. So would you be able to sort of just share your sort of experiences with the Rotary Club, like the benefits of it, sort of how it works; that sort of thing.

MR JOHNSTON: Yes. Well, look, I can quite happily. And I can say that a number of years ago now, my mother and I were shopping and I happened to be tapped on the shoulder by somebody I knew and he was at a table with two other gentlemen. And they said to me, "Look, we're from Rotary. Would you mind coming along because we're also looking for somebody to edit our bulletin because our bulletin editor has left and moved on." So I said yes, I'll come along and before I knew it – and this must be about five, six – maybe a lot of years ago now. I was editing a bulletin and a member of Rotary. So the Rotary Club works by having a number of directors and committee: a youth committee, a community committee and an ACNA committee.

And it raises funds by having sausage sizzles, generally outside Bunnings, and trivia nights and things like that. And with that money, it does a couple of things. It can provide money to support local school students going on scholarships. There are several Rotary district programs that we can support local students to. We encourage local students to come along and run a meeting. We encourage a public speaking contest. We also support a local church in their international outreach and help them box up used clothes and books and other things for overseas' missions, so – and each Rotary Club can do a range of things, which is generally seen as beneficial either to our community or the wider community or even internationally.

And again, the other main part of it is we raise a lot of our money in coordination with a local fire brigade when we collect money at one of our local Christmas lights shows called Street. Now, the reason I'm very happy to support that – or one of them – is that we are very careful to get members' money separate from any of the moneys we give to the various organisations we support. Members pay dues which – and they pay fines. The fines are purely for club administration. The dues and everything else go to the organisations we support. And we have been asked any number of times – and it's more regular now – will all the money I give you go to the program you're supporting? I mean, it could be the local – or the national floods and fires.

We've done a lot for that in the past too and people stand out in the shopping centres, shakes tins and have card readers because often these days, people don't have cash. So we've got a card reader and we say – and we generally say yes. And then what the club does, out of members' money – the fines – is we will cover the three per cent it takes to go to the Rotary Foundation who will send out the money, particularly to the international interests, but this is the way we keep faith with the local community when they ask, "Will all the money?" And we say, "Yes, it will, because we will cover the difference." So I've noticed that. The other members have noticed that and we try, as much as we can, to keep faith with what the community is now damaging; that everything they give goes to what we say it will.

MR SEIBERT: And these – you and your colleagues and the other members of your Rotary Club, what motivates them to do this volunteering and fundraising, because people are busy. They've got various times on their time, etcetera. What's driving this, because it's really – you know, it's grass roots community sort of activity.

MR JOHNSTON: Well, look, I think a number of things drive it. It's the fellowship of members, to start with. And it's the wish to do something that is good and beneficial in the community and it's the hope that we're giving a positive outlook to people in our community. There's so much that is wrong with the world that, you know, a kindly face and a big smile goes a long way. And we find that people are prepared to give under those situations and we will give them a sausage or we'll give them a ride on a fire truck with our friends at the fire brigade. We'll give them Easter eggs and an Easter egg hunt which is another thing we do with the fire brigade.

And that engenders community spirit. It engenders a positive view of Rotary. I must admit the one problem that Rotary and other organisations are facing is that most of our members are now retired. When it started, it was a grouping of businessmen. Paul Harris, over in America, started it in about the 1920s or '30s. Sadly, most of the membership now, as far as I can see, are getting older. I'm getting older, although probably with only a few exceptions, I'm the youngest member there at 50 at the moment. So yes, these are local grass roots organisations manned by people who have been usually involved for, you know, 30, 40 years.

It is a big part of their life and they get a lot of personal satisfaction out of, you know, seeing students speak well and seeing them go on excursions or seeing them travel internationally for 12 months on an exchange. Because that's another element of Rotary; we encourage students, for their own benefit and the expansion of their mind, to go on an exchange in another country with another Rotary Club with other Rotary members, learn a new language, go to a new school. All of those sort of things. And what you always find is that the person comes back with a whole new perspective on life and that is satisfying on a whole series of levels; for their family, for the club and for everybody who has interacted with them. But most importantly, it gives them a whole series of skills and experiences which will allow them to have better employment prospects and better prospects generally.

MR SEIBERT: Thank you for articulating it so well and so clearly. It's really helpful. And do you think that there's anything that – you mentioned how they're sort of the aging demographic of the volunteers and that there's – sort of, that that's causing some challenges. Do you think there's anything that governments could do to help that kind of grass roots community activity for Rotary or Lions or other organisations, or not do; governments could not do things that make it – might make it more difficult?

MR JOHNSTON: Well, I actually think it's a structural thing that is, in some ways, bigger than government. Because it's interesting that within the last week, there has been a lot of controversy about the “do not contact” or “right to disconnect,” in terms of employers and employees. One of the problems and one of the – I won't say excuses because I think it's a very real problem – that people cite is they don't have time. And they don't have time because they're constantly swamped at work. They constantly have emails. They constantly have meetings and there is a pressure to perform because a lot of workers are on temporary contracts or they're part-time workers or they have to do multiple jobs to get by because of the cost of living, the cost of housing. We all know this because it's all over the news every night, but it is a real impact.

It is a reality and I think it negatively impacts on the time people have to invest in voluntary activity. I'm lucky; there's only a certain amount of physical things I can do. There's only a certain amount of work I can do before I get far too tired and the one benefit of COVID for me is that it forced me to start using computer and remote technology more effectively and I do a lot of work with my employers online, virtually. So I can manage my time and take calls and whatever else and answer emails whenever I like. A lot of other people – and particularly with employers now insisting that people come back to the office; I don't know why. I had enough trouble getting here and I realised why I don't want to ever come back to town or for a working appointment. It's far more dangerous than it was when I was doing this 10 years ago.

MS ABRAMSON: Well, thank you for appearing before us, Adam.

DR ROBSON: Yes, that's right.

MR SEIBERT: Thank you for coming though. It's really appreciated.

MR JOHNSTON: That's quite all right.

DR ROBSON: Thanks very much. If we can wrap up there and then reconvene again at 1.40.

MS ABRAMSON: That's super helpful. Thank you.

DR ROBSON: Yes. Thanks very much. Thank you.

MR JOHNSTON: Thank you.

MS ABRAMSON: Thank you.

ADJOURNED

[12.35 pm]

RESUMED

[1.43 pm]

DR ROBSON: Okay. We'll get started. So welcome to our next participant. If you could state your name and organisation for the record, and then if you'd like to give an opening statement, we'd be very keen to hear that. But if not, we'll get stuck straight into questions. But welcome.

MS E. SCOTT: Thank you. Thank you, everyone. Good to be here. My name is Em Scott and I'm the CEO of GiveOUT. I'm going to give about an eight-minute opening statement, if that is okay.

DR ROBSON: Yes. Yes. Perfect.

MS SCOTT: So GiveOUT is a national LGBTI led not-for-profit that seeks to increase funding to Rainbow communities. We were established in 2016 and, since that time, we've distributed over \$2 million to over 150 LGBTIQ+ organisations in Australia. Our vision is for a diverse thriving and resilient LGBTIQ+ community sector that is driving its own solutions and we do that by firstly growing funding through community orgs, secondly by increasing the capacity of the set data to resource itself, and finally for advocating for more funding to LGBTI causes. Some of the key things we do is we run a national day of giving to the whole LGBTIQ+ community sector. We run a large grants program called Amplified Pride Fund, in partnership with a similar community funder, Aurora Group.

The first point I would like to make is that a well-resourced LGBTIQ+ community sector is vital. LGBTIQ+ communities experience poorer mental and physical health, increased rates of homelessness and isolation and social and economic marginalisation. If we are to tackle the ongoing challenges and barriers that multiple members of our community face, we must adequately resource and increase the capacity of the LGBTIQ+ organisations best placed to support them. We know there is significant need in our sector across many areas of disadvantage and there's significant evidence from both Australia and internationally, both generally and also specifically in response to the HIV/AIDS epidemic that highlight that there is no substitute for LGBTIQ+ led services.

The second point I'd like to make is that doubling giving under the status quo will only reinforce existing inequalities. The current philanthropic landscape does not provide equitable access to and distribution of funding. While over 10 per cent of Australians identify as LGBTIQ+ and our communities are over-represented across many areas of a disadvantage, our communities receive only five cents to every 100 philanthropic dollars. This was – came from our report where all the

Rainbow Resources that we commissioned a few years ago using ACNC annual information data sets. Doubling philanthropic giving in the same manner would only reinforce existing dynamics and disparities.

We encourage the Commission to further examine the structures that determine what issues and population groups get funded. We need to ensure that increased giving is not just channelled in the same way into the same places it currently is; for example, which is extra medical research and the arts have historically been a major focus of philanthropy, compared to surging population groups such as LGBTIQ+ communities and others such as refugees and other issues such as climate change. Despite the high demand for services and a proven effectiveness of the LGBTI community sector, our sector is young and small, chronically under-funded and unable to meet demand.

Only 0.2 per cent of all registered charities lists LGBTIQ+ people as the many beneficiary group that they service. More than 50 per cent of our organisations are unable to meet demand for services. 75 per cent of LGBTI orgs report difficulties in finding and applying for funding. The third point I would like to make is that we support the proposed overhaul of the DGR system. The current DGR system is complex, inconsistent and can be unfair, particularly for certain marginalised and politicised populations such as LGBTIQ+ communities. As identified in GiveOUT, a one year old group's word of Rainbow Resources report, the vast majority of LGBTIQ+ organisations' charities do not have DGR1 status, providing significant barriers to attracting funding and meeting community needs.

Noting the Commission's finding that a tax deduction is one of the most effective ways to incentivise giving, GiveOUT strongly supports the recommended changes to overhaul the DGR system to enable greater access, particularly for those currently excluded, such as organisations supporting specific population groups and those conducting advocacy work. With limited DGR1 across LGBTI space, we cannot contribute actively in growing the donor dollar in this country and ultimately we cannot improve the life outcomes for over 10 per cent of our population. If the purpose of growing giving is about creating healthier communities, then this must be an important issue that needs addressing.

In regards to the second principle proposed by the Commission around the comparative value of the Government's investment in philanthropic funding, we know that LGBTIQ+ communities, along with many other sectors, benefit greatly from philanthropic funding due to its flexibility and risk tolerance for grass roots organisation. The Government benefits as a well-resourced LGBTIQ+ community sector is best placed to address the disproportionate health and economic needs of LGBTIQ+ populations, posing less pressure on Government services. We agree with the finding in the draft report that the proposed reforms would also increase access for smaller charities if, for example, they have not had the resources to establish as a public benevolent institution.

This would include many LGBTI charities that are dependent on volunteers and have few or no paid staff. The fourth point I'd like to make is that community infrastructure is critical to democratise the decision-making. Community funders or intermediary funders, like GiveOUT, as well as Aurora Group and the Pride Foundation, play a critical role in the ecosystem by entrusting decision-making in the hands of impacted communities who are best placed to understand the nuances and community need and where funding is required, leading to better outcomes. To democratise decision-making and shape a more equitable redistribution of wealth, we support investment in

community led infrastructure, as well as accessible giving models such as giving circles, crowdfunding and digital fundraising.

And finally, we also support other recommendations that particularly benefit small organisations, including streamlining fundraising licences, funding for core and capacity building and increasing volunteer participation. And the final comment, in terms of information request 4.1 around instances where people make a donation but do not claim tax deduction, GiveOUT – known as GiveOUT Day, which is a model which is run in many other countries too, an annual day of giving to the entire LGBTIQ+ community sector. Last year, we raised over \$400,000 for 92 participating organisations which included 270,000 in donations from the public directly to organisations, and the remaining in matched-funding dollar-for-dollar from our institutional philanthropic partners. The vast majority of these participating organisations do not have DGR status and therefore the donations to these organisations were not tax deductible.

DR ROBSON: Thank you very much. Julie, is there any response?

MS ABRAMSON: I have a couple of questions and thank you for your participation in the inquiry, because we've spoken to you on a few occasions. I'm really interested in some more detail about giving circles and crowdfunding and the Commission, in the report, we also noted some concerns about online fundraising, but we were absence of data. So we could see that there might be a problem with online fundraising; more sort of, you know, consumer-type issues, being misled or – but we didn't really have much data. But I'm interested in giving circles, some of the other ways in which you receive donations or support and why you think they might have developed within the community that you work within.

MS SCOTT: So GiveOUT was formerly known as The Channel and in the first few years operated as a giving circle amongst the LGBTIQ+ community, which was in principle a really great model that - - -

MS ABRAMSON: Yes.

MS SCOTT: - - - had a lot of benefit, but is really high-resourced to run and at the time, we were a small organisation. And so we pivoted to more GiveOUT Day and regranting from institutional philanthropy. But the model still holds very true and is very good and we would like to bring it back, now that we're a much larger organisation. GiveOUT Day, which we've now run since 2019, is a fully online system and, for many of the organisations participating, it's one of their main fundraising opportunities throughout the year. So we use an external – one of the external fundraising platforms and we host the day and all the organisations come online.

So I guess it's a big day. It's a huge opportunity for these organisations, but does rely on the platform being good, our relationship with the platform, that we are able to provide the support for the organisations to set up. So when it works, it works really well and, for these organisations, particularly in regional and remote areas or those that only have an online presence, it's – yes – one of the only ways they can fundraise and is really critical to reach new donors. But the tech is still developing and we are heavily relying on the platforms being well set up.

MS ABRAMSON: That's very – no, that's very helpful. I wanted to ask another question too, which we've spoken about before, which is volunteering and issues that you might see as impediments to volunteering. You know, there's a – we've heard from other stakeholders today,

especially in the religious groups, that there's a lot of compliance issues and we understand why they've got them. But just interested in your perspective.

MS SCOTT: Yes. As a whole, because the LGBTI community sector is so under-funded, it is heavily reliant on volunteers. So many organisations are fully volunteer run and so impacts in volunteering has a very large impact on LGBTI organisations. I think LGBTI people experience – often the people that are volunteering for LGBTI orgs are also mostly LGBTI people, but they're also often experiencing financial insecurity, a whole range of structural discrimination barriers and so, when something has to go, it's often – it might be volunteering. But we also find that – and this comes back to the history of the HIV/AIDS epidemic.

Like the LGBTI community does have a very strong heart when it comes to volunteering, so even though we are impacted by broader trends, we do feel like it remains a core part and we hear of organisation that still have managed to maintain their volunteer base, but I think the same barriers apply. I haven't heard as much around those – the checks that you have spoken about, but I know, as opposed to those working on the ground in service to know that that could be a problem. But I think the main one is when the same barriers apply, but when LGBTI people are facing additional financial barriers, it can be the thing that has to go.

MS ABRAMSON: That's very helpful. Thank you.

DR ROBSON: Thanks, Em. So your funding, is it untied or tied or is it a mix of both? So how do donors – yes, what are their preferences, because obviously some donors are interested in, you know, specific projects and things that – you know, in effectiveness and measures of impact and so on, and there's others that are just happy to give whatever they can and then let you decide. So how – what's your experience with that?

MS SCOTT: So for GiveOUT, we are mostly funded by large institutional philanthropy, Perpetual and you might find they are great partners and generally fund us, like flexible. So they might – yes, they generally fund us core, unflexible sometimes, and increasingly more over many years. We might have a discussion with them saying – to make sure we're on the same page, or they say, "We hope that you give 50 per cent in regranting purposes," or "We don't mind what you use. We trust you." Very few of them are very specific about where they need to go. And I think we're lucky because of that because we are an intermediary organisation. We were founded by people that work in philanthropy and have strong relationships. We were able to have those conversations, but I wouldn't say, for the broader sector, that they have access to that same level of flexible and untied funding.

DR ROBSON: Yes, okay. And then, in terms of – you mentioned matched funding. So you know, when you have the GiveOUT Day, I'm interested in your experience and perception with how the, you know, subsidy – for want of a better word – from philanthropists induces then more giving because, you know, we have evidence from – data from the Tax Office and so on about the impact of a government subsidy, but also we know that – and we've heard other people talk about, well, you know, philanthropists can do a matched funding program where they can induce more giving from other people. So I'm interested in your thoughts on that.

MS SCOTT: I think the whole model works and is so successful because of matched giving. I think it's probably the number 1 thing that makes it work on both ends. So for organisations participating, they – it requires them to sign up and do work to get the most out of the day.

DR ROBSON: Yes.

MS SCOTT: They are most interested in it because they know they can get double funding, so they might have a few donors, but they know that if they get them onboard, they will be going to match that funding. So for them, it's great. For public donors, we hear, when we do surveys afterwards, about donors that – why they donate matched funding and the ability to double your dollar is the highest – or one of the highest things about why they donate.

DR ROBSON: That's interesting. Yes.

MS SCOTT: In terms of the institutional philanthropy, they are to provide the matched funding pool. That is also one of the huge benefits for them; that they feel like they can add 10K to the pool, then they're going to know that they're going to get 20K outcomes because of that. Yes, I think it's - - -

MS ABRAMSON: And do you have any data on that, that you've collected?

MR SEIBERT: Yes.

MS ABRAMSON: It doesn't matter; anecdotal is fine, but do you have anything that we could – you know, a database for that because you've asked people or it's just an observation from experience?

MR SEIBERT: Because you said when you do surveys of your donors afterwards, they say that the matching is – so any data you could share on that is really – would be really helpful, yes.

MS SCOTT: Okay. I'll come back to you afterwards.

MR SEIBERT: Yes, yes.

DR ROBSON: Yes. Okay.

MS SCOTT: Okay. Cool, cool, cool. Yes, cool.

DR ROBSON: Yes.

MS ABRAMSON: Yes. And I wasn't asking you now, I mean.

MS SCOTT: Yes.

MS ABRAMSON: Thank you.

MR SEIBERT: Can you recite all the data.

DR ROBSON: says.

MR SEIBERT: But that's – it's really interesting because I think just on that point around matching and the benefits of it, I think one perspective that we're sort of taking is whether or not, in the inquiries, that there's things that government can do, but there's also things that philanthropy can do in terms of changing funding practices, incentivising giving. This is an

example of where there's a government incentive and a tax deduction, but there's also this incentive from foundations that, you know, is another incentive on top of that to increase giving as well. So it would be really interesting; yes, anything you could share on that sort of after this would be great.

You mentioned sort of the doubling giving under the status quo will reinforce existing inequalities. So would you be able to sort of just elaborate upon your views, in terms of what you think needs to change, how our current draft recommendations fit into that, whether anything more needs to be done.

MS SCOTT: I think the DGR1 system will be the biggest rider of changing that inequality. I think like encouraging – we really support the commentary and the recommendations around First Nations led decision-making in a body for philanthropy and I think some of the themes from there relate to a lot of other population groups where it's investing in the community infrastructure to put the hands of giving into people impacted by the issue. So we feel like that is also – yes, the community infrastructure one. I think anything around public education or changing philanthropic practice can touch on and kind of highlight the inequalities that are there and I think when we had our Rainbow Resources report and we shared that with philanthropy, they were often quite shocked or didn't – were not aware of – kind of, that the LGBTI population was receiving so little funding, even though there were so many areas of need.

MR SEIBERT: And how did they respond to that? Are they giving you commitments that, "Okay. Well, we're going to change our funding practices to" – like because again it's sort of going to the point I said earlier about that there's things government can do with policy and regulation, but philanthropy also has these resources that they decide how to use. And how are they engaging with you in relation to that?

MS SCOTT: So I think what we've seen is that in the past, where some organisations might have funded one LGBTI not-for-profit and, as I said before, it is a very large community, a very complex community with diverse needs. That is a difficult decision to make and so rather than funding, while it's partnering with a LGBTI community funder to work together to work out where the funding is best needed. And also just when they – organisations might have their three pillars. They might say we fund mental health. We fund something else and we fund something else. But if you're looking at mental health, you'll see that the highest – some of the highest rates of suicide and poor mental health is with LGBTI people and specifically trans people.

And so it's helping them have a lens to when they're taking on maybe – whatever their set issues are, having another lens on that giving. And also just, I guess, being open to increased learning and allyships, so we're seeing where funders that have engaged with the report might be interested in coming to an event and learning from others that have funded in this space. Maybe they're not in a position right now to fund in that space, but they want to hear more about what others are doing. So it increases, I guess, the community of practice and a sense of wanting to work with other funders on how to solve the under-funding.

MR SEIBERT: So you are seeing some encouraging progress?

MS SCOTT: Yes. Yes. Yes. Yes, and you know, some of the institutional philanthropy, they often have long strategies and so it's a long – like it's a long partnership. But yes, we've seen huge shifts since GiveOUT started and organisations that either have shown with funding, but perhaps are shown by showing interest and starting to do things a little bit differently and maybe

they're not in a position to fund now, but they want to know more and they're wanting to know when they can fund. So yes, we are seeing a huge change.

MR SEIBERT: And I was looking at the Rainbow Resources report that you did and you talked about sort of how like most LGBTIQ+ organisations are very small and have very small levels of funding and are reliant on volunteers. Would you be able to sort of – yes – expand upon sort of the motivations and drivers of that real grass roots sort of community activity that they're doing. Because it's really interesting for us to understand sort of motivations and that sort of thing and what's – and whether there are any sort of challenges that they're facing, in terms of volunteering and that sort of thing.

MS SCOTT: Like specifically why are there so many small orgs?

MR SEIBERT: Yes. That and also sort of what motivates the members of the organisations and to contribute in that grass roots way.

MS SCOTT: I think it goes to that like mainstream services – inclusive mainstream services will always be an important part of the ecosystem, but we know that LGBTI-led services and services by peers and lived experience will always be – there's no substitute for that. And so when you have a community that, you know, only has several letters, but then there's lots of intersections which come up in really unique ways; so LGBTI people of faith have a really unique experiences. LGBTI people with a disability, they're often excluded from disability services, but they're excluded from LGBTI services. So you can find all these really unique intersections within the community that are not kind of uniform and can't be serviced by a uniform way.

And also the need for kind of community and face-to-face services, particularly in regional or remote areas, means that I think you find what is needed is often maybe a – like service-specific responses to different populations or different areas or community groups. And so what you find is different organisations addressing different needs, but often collaborating together, along with large organisations that are servicing perhaps like the whole of LGBTI health in a particular State and then mainstream services that might partner with them. So the small organisations, I think, play a really critical role in the ecosystem to meet people in place and to meet specific needs which can – yes, whether it's about – and often about kind of the overlaying of marginalisation which made their experience quite unique.

So the small organisations, some of the barriers they face is – yes, they're – they might be young. They might not have a lot of history. They might find funding really difficult. For a lot of LGBTI people, whether it's because of historical reasons or it's existing reasons, they carry the fear of discrimination with them. And so approaching mainstream funders or institutional funding, which can be perhaps overwhelming, can feel really far away. And if they're relying on their immediate community for funding, often the community is facing their own challenges and may not be in a position to fund. So they're often really under-funded and they're relying on volunteers providing services in just a volunteer capacity.

Yes, so it's kind of – for GiveOUT, we're trying to provide a structure so all these small organisations can access GiveOUT Day or access resources or, if we can get large chunks of institutional funding that we can then distribute to the small organisations that are never going to be in a position, where they are right now, to access new funding streams or have the time or resources to access new funding streams.

MR SEIBERT: Yes. No, thank you, that's really helpful. And one quick follow-up question is, so are you saying that there's a role for small – very small organisations in that broader ecosystem, as well as large ones, because sometimes the statements are made that there are too many charities and there's – you know, we need sort of economies of scale and things like that. But I suppose, from – I was getting from what you're saying sort of that they fulfil different roles and they sort of – they have different functions.

MS SCOTT: I think like many areas are probably saturated. I wouldn't say the LGBTI community sector is one that you could call saturated when – yes, before I said 0.2 per cent of all charities have LGBTI people as their beneficiary group. So it's not saturated, in terms of numbers, and when they are kind of small and the ability for them to service and they're not meeting demand; it's not saturated. But yes, overall the ecosystem needs strong mainstream services that have a motivation to be inclusive, as well as larger LGBTI organisations that can have the scale to service a larger population group, as well as the small place-based community-specific organisations as well. Yes, they all play a critical role.

MR SEIBERT: Thank you.

MS ABRAMSON: Em, can I just ask you one final question which I regret to say I've been asking everyone, but it's about – you're very reliant on digital payments and you said in fact you use digital platforms a lot. One of the proposals at the moment is the phase-out of cheques and that, for some charities, is a particular issue because the cohort that donate to them do provide funding by cheques. Now, do you think, with the people that you receive your donations from, are there people that wouldn't be donating to you because they would do it by cheque, or is there something unique and different about the donors that donate to you that makes them more familiar with technology?

MS SCOTT: Good question. I think - - -

MS ABRAMSON: Because you're very diverse. I - - -

MS SCOTT: Yes. I think, from GiveOUT's perspective and our current funders, because we're so institutional philanthropy and only a small handful of high net worth individuals who are definitely comfortable in whatever payment system, we haven't found that. But for other organisations, potentially. Potentially, I think, there's a whole – a very large age range of LGBTI people who are wanting to give back and, yes, I think potentially that there could be for other organisations, if they're relying on donations from individuals.

MS ABRAMSON: Thank you.

DR ROBSON: Thanks very much.

MS ABRAMSON: Thank you.

DR ROBSON: Again, thank you for coming.

MS SCOTT: Thank you. Great to have met you all.

MR SEIBERT: Yes. Thanks very much.

DR ROBSON: Okay. Can we have the next – Michael, is it?

MR M. STEAD: Yes.

DR ROBSON: Yes. Please have a seat. Welcome.

MR STEAD: Good afternoon. And thank you for the opportunity to appear before you.

DR ROBSON: Well, thanks for coming along. So the way we do this is if you could state your name and the organisation that you're from. And then if you'd like to make an opening statement, we'd be very happy to hear that. And then, we'll get on with questions, so welcome.

MR STEAD: Thank you. My name is Michael Stead. I'm the Anglican Bishop of South Sydney and I represent the Anglican Church Diocese of Sydney. And just to be clear, that's one of 23 dioceses in Australia, so I don't represent the whole Anglican Church; I just represent that part of it.

DR ROBSON: Okay.

MR STEAD: It's important for inter-church relationships to make that clear upfront.

DR ROBSON: Okay. Understood.

MS ABRAMSON: We read the media.

DR ROBSON: Yes.

MS ABRAMSON: We see it.

DR ROBSON: Yes, go ahead with your opening statement, if you'd like to. Yes.

MR STEAD: Thank you very much. In this opening statement, I don't propose to summarise the report. I'll take that as read and there's an executive summary which summarises the report. What I would like to do in the opening statement is really to highlight the concerns that underpin our particular comments that are made in the report. So really stepping back from the detail and talking at a high level. Our fundamental concern is that a report that was ostensibly aimed at doubling philanthropic giving by 2030 will impede philanthropy, particularly when it comes to faith-based philanthropy. And our fear is that it's through a deep misunderstanding of the nature of faith-based philanthropy; that is, there are some assumptions about how giving works generally, what motivates giving.

These are misinformed – I'd say unwarranted – assumptions and perhaps even mistaken assertions about religious philanthropy. And so I thought – as I said, I'll be very happy to talk about SBFs, RIGS, BRCs, PBIs, and other acronyms later. But let me focus at the higher level and give me – let's see if I can give you some examples of what I detect as this fundamental misunderstanding. In the discussion about the changing of the mix of DGR status, the report indicates that its expectation is that that – these changes will be largely philanthropy neutral in the sense that it will be – the increase in extra giving to the new DGR status funds will be offset by the restrictions around school building funds and RIGS and other changes.

If the suggestion is that the changing of DGR status is going to lead to changing the mix – that is, the person who previously would have given to fund A will now give to fund B; there’s just so much money around – that’s actually a fundamentally misplaced assumption. That is, I don’t think there’s – it’s warranted to think that because I think it misunderstands the difference between tax deductibility, as a lever to giving – a leverage for giving – as distinct for a motive for giving. In our experience, that is the effect of DGR status; is that it helps to leverage up the amount of giving. The person who might have given 1000 will give more because of the tax benefit, but it doesn’t create the motivation to give in the first place and therefore, if a person was motivated to give to fund X, the removal of the DGR status will just mean they will give less to that fund.

It won’t mean they will say, “I have all this money that I wanted to give to a worthy cause and I will give it to a different charity,” because they haven’t understood the faith-based motivation behind it. We – reflecting on the comments of the previous speaker, we say the same thing with matched giving, that it’s – the matched giving helps to dial up giving in the first place, but it doesn’t create the desire to give. The desire to give actually comes out of a religious motivation. That’s the second unwarranted assumption that I want to challenge, which really goes to one of the three core criteria for analysis that the commission has proposed, the whole idea of net community-wide benefit, and it particularly makes the comment – and I want to be careful not to misquote. I note the report clearly says:

We don’t say that advancing religious charities have no net benefit to the community, but the purposes of purely advancing religion are not apparent.

And I’ve underlined the word purely, because I think the distinction is made with, well, kind of there’s the religious stuff that those religious charities do, as distinct from their charitable good works.

I don’t believe that you can actually drive a wedge between those two things. More, are they accurately reflected in the tax system as it stands? Underpinning what I’m about to say is actually my – the argument in our paper that all charities, for the purpose of advancing religion, ought to have DGR status. Let me see if I can make that claim, and not on a religious ground, but purely on the basis that this will lead to the greatest maximisation of philanthropy, which is the stated goal of this. The advancing – giving to – and I’ll use the example of a local church, because that’s the one that I know best and can give both anecdotal and statistical analysis of. Money that’s given to a local church is not subject to DGR status.

There are some limited exceptions. A number of – a very small number of our churches have separate PBI-registered charities, but for the most part, money that goes in the plate to the offertory is after-tax income. A proportion of that money is used by the church to do things which are for the public benefit. I was looking at the accounts of one of my churches in my region. \$50,000 out of their own money, that is, their after-tax money, goes into a local community support program. There’s no DGR benefit to them. They don’t get – doesn’t even hit the government’s – the government wouldn’t know of this philanthropic benefit because it is outside the tax system, but if you say, “Yes, but that – some of that money that went to the church went into things for the greater benefit, but there’s a whole lot of money that went into paying the minister’s salary,” my response to that would be to say the minister’s salary, paying somebody like me to stand up in church telling people to be like Jesus and give to the poor and look after the needy and to serve the wider community, actually produces an observable benefit.

In our paper, we highlight many studies which have demonstrated that religious people are more philanthropic than other parts of our society, and so having religious communities talking up philanthropy actually produces community-wide benefit. It's not just religious benefit. Religious people are more likely to give blood, just to pick a random example, and that's – okay, apart from Jehovah's Witnesses, but generally speaking, religious people will be more philanthropic, and so incentivising advancing religious charities that promote that promotes community benefit. But if further you push and say, "Yes, but what about the purely advancing religion category," what would be described as proselytization, if we wanted to be – to use a pejorative word.

If, at the end of the day, that means that there are more Christians or more Muslims or more Jews – I'm not claiming a particularly Christian bias here – that actually leads to more philanthropy, because religious people are more philanthropic. Bang for buck, your best multiplier for advancing philanthropy in advancing religion. That idea is not even explored in the paper, is the thing that is most disturbing. As I said, I can now try and flesh that out with respect to the individual issues that we have with school building funds, RIGS funds, basically just charities, but I think I will – that's the very long opening statement. I will pause and let you ask me questions about those matters, because they're adequately dealt with, in our submission.

DR ROBSON: Questions, anyone?

MR SEIBERT: Yes. I suppose I just want to ask you sort of where you think sort of we – because we – in the draft report, we do acknowledge the importance of religious motivations and faith traditions to shaping values and giving practices in a number of different places. I mean, there's obviously sort of our draft recommendations, which we will be talking about, but sort of – would you be able to sort of point us to sort of where we, yes, have not sort of recognised that in the way that you think is appropriate? Because – and – because we can talk about sort of the flow on effects of that, but we're just keen to sort of ensure that we do reflect the different and diverse motivations for giving, including amongst people of faith.

MS ABRAMSON: And if I could perhaps supplement it, if you don't mind. Do you actually – thanks, Krystian. You actually mention it in paragraph 21 of your submission to us, so you talk about the unique factors of faith-based giving. Thank you.

MR STEAD: Yes. So I'm particularly – so in paragraph 32 of our submission is where I quote the paragraph, which begins:

The commission does not believe there is a strong rationale for expanding the scope of the DGR system to include advancing religion.

And in the context, I don't believe that you've actually demonstrated that that's a reasonable conclusion, that is, if you start with the position that advancing religious charities are more likely to produce philanthropic people, you note that, you recognise that, and you recognise that there are faith-based reasons for giving, but then you don't do anything with that data, and in fact, there is plenty of data that you could have mined the demonstrate that. It's the absence to engage with that as a matter of principle, rather than just coming down with the conclusion there's not a strong rationale. That's the thing – it's the initial – so I can't point to the things that are in your report. The whole point is they're not in your report.

DR ROBSON: I'm going to take this up. I mean – so one of our recommendations – and you spoke about – with respect to DGR is, you know, money goes into a church, and then they used

it for other things, and so under our proposals actually, you know, the money that goes into the other separate activities, you know, we think, under our proposal, is it would be easier for those separate activities then to be able to get DGR, because the scope would be broadened. So I will tell you the issue that we were grappling with is, you know, that – on the one hand, the sort of measurable things that – very good works that people do, outreach into the community, all those things that are very observable and, to some extent, measurable, relative to making people feel more philanthropic, and so that's one sense in which we said, well, we think it's reasonable that you would extend DGR to the observable, measurable things, for want of a better term.

But then also, with respect to advancing religion – and, you know, worship is a very personal activity, and so, on one view, you're getting the state involved in that, for good or bad, positive or negative, and some people would say, well, you're subsidising that, and that might be good, but then, you know, there's – I think it's a high threshold, for want of a better term, to get the government and the taxpayer involved in that. So that's, I guess, talking about where we're coming from, and we do recognise that, you know, religious faith and values play an important part in motivations for giving and the realisation of those motivations in terms of good works, but then the question is, well, where do you draw the line, given that entities, charities with the sole purpose of advancing religion don't have DGR? We thought that – under the current system, we thought there should be a reasonably high threshold, and given that we also recommended expanding DGR, it would make it easier to do all of the good works you've talked about. So I might get you to respond to that and see whether we've got that right or wrong, but that's, yes, some more background for.

MR STEAD: So thank you. In paragraphs 24 through 28, we acknowledge and are grateful for the plans to extend DGR status for the kind of local benevolent relief, so we – thank you. That is acknowledged. That covers a fraction of the good works that churches do, but equally, I want to push back slightly against your characterisation that the rest of what advancing religious charities do is about private acts of worship, and the reality is when I was in parish, I did more works as a minister for the people in the community who are not members of my congregation than I did for the people who were there, so I did more funerals, more weddings for people who weren't members of the congregation.

I did more counselling and things like that with people who weren't part of the congregation. So the congregation was subsidising me to do that work into the local community, and that would be generally true of other faith traditions as well, not just Christian traditions. I think my overriding pushback is that why does Australia feel the need to make that distinction about the purely religious purposes of the charity, when most of our other kind of comparative partners – America, UK, New Zealand, Canada, just to pick the obvious ones – all have general deductibility for giving to – for the purposes of advancing religion.

MR SEIBERT: I think, you know, I'm – you know, my background is in philanthropy, so I sort of, you know, look at all the comparative different systems and tax treatments, etcetera, and it fascinates me. I think one note of caution with international comparisons is that there are, you know, things in America that are good. There are also limitations on their deduction. They have a capped deduction in the US, for example, so we don't have a capped deduction in Australia, so there are good things and bad things in our jurisdictions, and I suppose, yes, I acknowledge the submission's acknowledgement around sort of the benefits of the incentivising local benevolent relief, and so thank you for drawing our attention to that.

I think on sort of expansion of DGR status more broadly than what's currently proposed, I think it's important to sort of place this within the context of which this inquiry is happening in terms

of the commission has a community-wide perspective. Governments use tax incentives, funding of regulation to ensure that communities have the goods and services and other activities supported that they want, and the DGR system is one small part of that, and there are trade-offs between expanding access to something and the tax expenditures that come with that, which is why we're trying to take this principled approach to this.

I think I notice – I note the comment around the Productivity Commission's recommendation in 2010 to expand it to all charities. There was also another process in between that, the Not-For-Profit Sector Tax Concession Working Group, which included representatives from religious charities and stakeholders, and our recommendations are not too different to those. They're not exactly the same, but it also recommended an expansion, but not including charities with a sole subtype of advancing religion or education. So we haven't just gone and taken that automatically, but I think that there is some precedent there. I suppose I would ask what – expanding DGR status more widely, what would be the benefits of that? Because we've also heard in submissions and elsewhere that there is a really thriving culture of generosity and engagement within religious charities, so what would be the benefits of DGR status over and above that that already exists?

MR STEAD: So the things that I mentioned earlier, the fact that DGR status is a lever, and so if we – it doesn't create the motivation to give, but enables people to give even more generously. If I can – if I can use the example of a school building fund to illustrate the process, school building funds – the motivation to give is actually driven by being part – in some way connected to a school community. It's actually the alumni who are bang for buck, the biggest givers to schools. I think the current parents are too cash-strapped to be able to support it, but the fact that there is a sense of connection with the school is the thing that we – is the thing – is the ground source of that motivation to give.

It's the fact that you're able to then leverage that up with the benefit of tax giving, so what that does – I think the report tends to focus on, well, what's the tax effect of that person giving it? I don't know. You would know the answer. I don't know the answer, but what is the average tax rate of giving to DGR funds. So let's assume it's a third, is the top margin or rate across all giving, and if the concern is, well, there's \$33 in every hundred of distortion – I'll use that language deliberately – of the tax effect, that we're giving an indirect grant through the tax system, you know, the report wrongly focuses on that amount. They're not focusing on the extra money that is unlocked by the giving, so in our experience, it's not just that the person dials up their giving directly proportionate to the tax that they would otherwise receive.

It actually acts, as I said, as a multiplier. And so if we're talking about maximising philanthropy, you really should be focusing on the 66 cents in the dollar that was added on as a result of the additional giving, the person who gave \$2000 instead of giving \$1000. They might have given 1000. The tax effect would have been 1333, but in fact, they get 2000. It's the extra giving – so if the question is what's the benefit of generally expanding that to advancing religions? We already see that with school building funds, the multiplier, and my answer would be I would expect to see the same thing with other advancing religion, that you'd get a multiplier effect over and above just the tax redistribution effect.

MR SEIBERT: And what's – do you have data that you base this assertion on?

MR STEAD: It's anecdotal. It really comes from fundraising conversations with donors, that when you start with \$1000 and you're able to double it because of the tax effect, and maybe – I hope that that's not because they're not mathematically literate and realise they didn't get the full benefit, but it's not that. I think it's just the sense that this is a worthy cause. The fact that it's tax deductible reinforces the fact that it's worthy.

DR ROBSON: So we do have evidence in the report around the effect that you're talking about, but incrementally, at the margin, so – and the evidence is that a one per cent decrease in the tax price of giving – so given that – say you're at 33 per cent tax rate, change it by a little bit, by one per cent, and actually what then happens is you get a one per cent increase in giving. So – but we're – I am interested in, you know, the big change going from no tax deduction to some tax deduction, so would be very interested in – if you've got any, you know, further evidence or intuition or, you know – I think anecdotal. Not – you don't have to say it - - -

MR STEAD: Well, it's hard to have data on something that doesn't exist.

DR ROBSON: I know. Yes. I know.

MR STEAD: So you're asking – it really is – we're in the realm of speculation - - -

DR ROBSON: Yes. Yes.

MR STEAD: - - - what would be the effect on general giving to advancing religious charities.

DR ROBSON: Yes.

MR STEAD: Again, I can only use the analogy of the school building fund, where we can observe a multiplier effect, and in our case, it's much – it's not just an incremental one to one and a half per cent.

DR ROBSON: Yes.

MR STEAD: It's significant changes in giving pattern because of the fact of tax deduction.

DR ROBSON: And from what you said earlier – I don't want to put words in your mouth, but would you agree that if we – if DGR was extended to charities with the sole purpose of advancing religion, that would – you know, any additional money would not reduce money that was donated elsewhere. You think it would just be - - -

MR STEAD: Yes.

DR ROBSON: It would - - -

MR STEAD: Yes.

DR ROBSON: Yes. Okay.

MR STEAD: It certainly – it would not reduce philanthropy. It would – it will increase philanthropy. It's only a question of how much it will increase it. The – this – I say this with a smile. It would actually make your job really easy if the stated purpose is to increase declared

philanthropy, because what will happen is that there's a whole lot of philanthropy which is presently outside the tax system and not recognised, so this one step would, in fact, well and truly double philanthropy, because all the giving to local churches, to mosques, to synagogues that is not captured would not be captured.

DR ROBSON: Sorry. One more. So I'm an economist, and I think in terms of costs and benefits, so I'm going to ask you – I think you already touched on, but maybe talk about it a bit more. So if I was sitting down doing a cost benefit analysis of this, I'd be interested in where you think the money – extra money would be spent. So tell us more about, you know, what would happen to the extra money - - -

MR STEAD: Yes.

DR ROBSON: - - - and the benefits that it would create.

MR STEAD: I think it would multiply all those areas that I mentioned earlier. It would multiply the ability of local churches to do the good works that Jesus calls us to do. Every church would do more than we can presently do, but we're limited by resources, so yes. That would increase in proportion to the funds available. Secondly, it would increase in the kind of works that we were able to do in the broader community. There would be more people employed to do the work of ministry, and so when a – when we employ a youth worker, it's not just we're looking after the kids of the faith, or we're – there's actually a much wider community benefit of the kids who are coming within the orbit of the church.

And then thirdly, it would increase, I would hope and pray, the number of people who are Christians. If we do our work of sharing the gospel, that it would actually bring more people into the kingdom. Now, if there is a value judgment that says that's something that's not of value to society – and I'm sure there are people who think that – at this point, what the tax system is doing is making those kind of value judgments and saying, yes, there is a social value in prevention of cruelty to animals – and let me – just for the record, I have no objection. I am a positive supporter of those kind of charities, but we're saying, yes, that is of a community-wide benefit, but religion is not. That's the assumption that I want to push back on.

DR ROBSON: And it's – in particular – and we talked about this, that sort of – I don't know how to describe it, the gap or grey zone where if you were to get DGR for the separate activities that we've talked about in the report, but then there's these other activities that would be regarded as advancing religion but are not – that sort of – you know, those are things that you – and that's the thing that it would be better target. Is that what you - - -

MR STEAD: It's more the – having to adequately demarcate the time, it's really hard for an individual Christian or a minister to be able to say, well, 37 per cent of my time was spent on doing this kind of work, and when I had that conversation doing some marriage counselling, was that a religious task or was that a social benefit task? It's actually – that – trying to divide the good works that Christians do from the things that they do because they're Christians, that's the problem, trying to work – and that's why many other countries don't try and distinguish the purely religious works of religious charities and the broader benefit to society that religion brings.

MR SEIBERT: I suppose just adopting sort of Alex's comment around looking at costs and benefits, one thing that sort of – given the very thriving sort of culture of generosity and giving within faith communities, and it's already happening, and you mention how sort of, you know,

expanding DGR status to all of that would sort of bring them within the system in terms of tracking that, etcetera. I suppose the point there also too is that you might get some additional giving, based on what you said earlier, but a lot of existing giving becomes tax deductible, so you might not actually have – you’d have a very large sort of – and this is thinking from the perspective of government. We have to be really open about these trade-offs and understand them. You’d have a lot of existing giving becoming tax deductible without necessarily having that much additionality, so, you know, how do you reckon that the sort of costs and benefits would stack up in that regards? Because that’s what we’ve got to do when we adopt a community-wide perspective.

MR STEAD: What we do notice consistently is that where people were prepared to give \$1000, and they realise there’s a tax-deductible way of giving, and I’ll use the example of a RIGS fund, so a church – so a church might have a religion in government schools. They don’t just say, “The \$1000 that I was putting in the plate I will now put in the RIGS fund.” They’ll put in, if they’re mathematically savvy, \$1333 worth of – because they will gross it up for the – what would have been the after-tax effect. So they – so it won’t – it’s not as though it actually goes backwards from the church’s or the government’s point of view. There is – at the very least, there is a proportionate increase in giving, taking into account the tax-deductible nature, and my argument before is everywhere else we’ve seen it, we’ve actually seen a greater than – a greater multiplier effect. It won’t just be the

DR ROBSON: Yes. I guess Krystian is saying, though, suppose for the sake of argument, there’s \$100 given now to a church, right, it’s not tax deductible, and now after we make it tax deductible, we get an extra \$10, so \$110 or - - -

MR STEAD: Yes.

DR ROBSON: You know, but the tax deduction goes across the whole 110, right, so effectively, what – the calculus that you would have to make – and this is what Krystian was talking about – is it’s – you know, the public support doesn’t go to the extra 10. It goes across the whole lot, and so that’s the trade-offs that government and others have to think about and we have to think about in our recommendations, is that yes, you might get more giving, but the problem, we think, with a government subsidy is it subsidises the whole lot.

MR STEAD: Yes.

DR ROBSON: Yes. And so that’s the - - -

MR STEAD: I understand.

DR ROBSON: Yes. Yes.

MR STEAD: And so then the value question is does the government value supporting this kind of charity. So the government is prepared to support a welfare protection for animals charities across the board, all of the money – because they say there is a value to that. It’s the value judgment that says that the government’s not prepared to provide the same kind of pro-rata support for advancing religion charities. Now, is there a rationale for that, other than it’s going to be – it’s going to cost the government a lot of money? If that’s – that could well be the rationale, but I want to - - -

DR ROBSON: So Julie, do you - - -

MS ABRAMSON: Yes. I'd like to ask a few questions about the basic religious charities exemption, and I've read very carefully your submission, and bearing in mind the time, I just wanted to ask quite a precise question, which is the ACNC Act – and I understood what you've said about the Constitution. I happen to be a lawyer, not an economist. The ACNC Commissioner has the power to remove a responsible person. That's kind of unique, because ASIC, for example, has to apply for a court order, so would that type of protection, for want of a better word, deal with some of your concerns, or is your concern a much more fundamental issue which is about the church and state?

MR STEAD: The problem is the reverse, so not only can the commissioner remove a responsible person but can also appoint new directors, and as one of the Catholic archbishops said, I'm not letting the commissioner appoint my bishops, because that's effectively – like, in many of our organisations, it's religious leaders who are the leaders of these commissions, and so it's the fact of appointment of responsible officers is the fundamental problem.

MS ABRAMSON: Although presumably, you could have a process – I'm just thinking out loud. I want to be clear about that, but you could have a process that was both – you can have something for removal. You could also apply to a court for the appointment of a person, but as I understand your submission, you have a view that the church's own governance procedures deal with those types of issues.

MR STEAD: Yes. We would say that we are best placed to be able to judge the kind of people who ought to be directing and advancing religious charities. They have to be people who share the religious convictions of the organisation, and courts are poorly equipped to be able to make that kind of an assessment. It's only – if you want me to tell you who can run Anglicare, I'm not going to apply to the High Court to work out who's going to be the best person to run Anglicare.

MR SEIBERT: So - - -

MS ABRAMSON: You would never be going to the High Court. I can promise you that one.

MR SEIBERT: Just on the basic religious charity – are you done, Julie, or have you - - -

MS ABRAMSON: Yes. No. That's fine. Thank you.

MR SEIBERT: On the basic religious charity category in, I think, paragraph 8 of your submission, you talk about:

The abolition of the BRC category will impose significant reporting and compliance requirements on larger churches, synagogues and mosques.

Could you just elaborate upon what those compliance burdens would be?

MR STEAD: So most BRC – or sorry, all BRCs are exempted from the financial reporting requirements, and so just the fact of having to complete the annual information statement and financial statements that go along with it is an additional compliance burden that presently is not applied to most.

MR SEIBERT: But you have to submit an annual information statement already. It just doesn't have financial information on it?

MR STEAD: Correct. Yes.

MR SEIBERT: Yes.

MR STEAD: And so it's the – it's the additional – like, it takes 10 minutes to fill out basic AIS. It takes a lot longer to fill out all the financial parts if you have to.

MR SEIBERT: But your entities would be – they would be undertaking financial reporting for internal purposes, I imagine.

MR STEAD: Yes.

MR SEIBERT: So it's not that they would have to start collecting financial data. It's just that they would have to provide it in the AIS.

MR STEAD: That's right, and at the moment, the financial data is provided to the people who are giving to the organisation. So the local churches, they all have their annual general meeting. Everybody gets a copy of the audited financial statement, so it's not as though we haven't done the compliance work. It's just that that information is visible to the people who gave to the church. If you were looking for a trade-off, I – as it stands at the moment, a church can't be – can't have BRC status and also have DGR status. If that were the cost of – and I understand why. We're opening up a fund for general giving, and it's – there's kind of tax-deductible consequences and therefore public accountability. If you want to expand DGR status to advancing religion, that would be a good reason to also say that any religious entity that wants to take advantage of that also needs to fill in the – make the financial disclosures for the same reason.

MR SEIBERT: But I suppose there is just a question about what would be – what's the current – and we make this point in the draft report – what's the policy rationale for the exemption at the moment, treating one group of – from a perspective of charity regulation, what's the rationale? And we've been unable to identify what that policy rationale is. I get the – I suppose there is the reporting and compliance burden, but you know - - -

MR STEAD: But there's also – so the fundamental premise is that the – most of these BRCs are local churches or synagogues or mosques, and there is already sufficient local accountability in all those places, and it's – the fact that those things are not public means that we don't get people who had no interest in the affairs of the local congregation making reports about the accounts of those churches. We're not hiding that information, but there's no reason why the accounts of a local church ought to be disclosed to the rest of Australia, because the rest of Australia is not giving in the first place. It has no interest in that data.

MR SEIBERT: Would that argument apply to any charity, like, that's a local, small welfare charity that the local community gives to as well, like - - -

MR STEAD: If it didn't have DGR status, and it only had a defined set of donors, the argument would apply. I'm not sure that – that's the argument. If there's already sufficient accountability for the people who are the donors, what is the additional benefit of the public disclosure of that information?

MR SEIBERT: And just on what Julie said as well, the – if – with this basic religious charity category, I understand your sort of perspective on it and its removal. If there were steps that could be taken to sort of limit or constraint the powers of the ACNC Commissioner – because we sort of recognise the sort of – the points around the autonomy of religious communities to appoint leaders, etcetera. If there were constraints there around requiring – or maybe not a court order, but other mechanisms, would there be an openness around sort of those sorts of things? Because I want to put on the record that we do recognise these sorts of matters. Like, we're not – and we've had them raised with us in submissions.

MR STEAD: My question would be why is this part of a recommendation in a report about increasing philanthropy? So the only change that it will make to philanthropy is it will make it just a little bit more difficult, because there will be more red tape, but it's not going to increase philanthropy in any way, because it's not – unless you pick up my suggestion and you change DGR status, but apart from the possibility of increased giving and because of the change of status, changing the BRC status, why is this coming out of a report about doubling philanthropy? That's my – the prior question. If you just think it's a good idea, or it's fixing up an anomaly in the system, okay, but it's not going to increase philanthropy.

MS ABRAMSON: Because we would have a principled view that – and we are clear in the report. I mean, what is the policy for the exemption, and you would normally want to line up the governance requirements. You've got a government standard. I understand what you've said to us, and you would want that to be a general application.

MR SEIBERT: Yes. I think in the draft report, pages 210 to 212, we don't presume that regulation is automatically linked to giving. We make the sort of – we set out – articulate a logic there in terms of trust and confidence in general is part of the foundations for giving, and regulation has a role supporting trust and confidence in charities, and it's one of the rationales for the ACNC regulatory framework, and so the scope of that framework is relevant. We looked at the scope of that as part of this inquiry. We didn't look at everything that the ACNC does, and we didn't find an apparent policy rationale for this particular exemption, which is why we've got our draft recommendation, but we're seeking views and perspectives on it, and we're very open to understanding those perspectives. And I think also, just to go on a point that you raised earlier around sort of visibility, I mean, one benefit of reporting as well is that you get data on giving and all those practices that can help illuminate those giving practices and behaviours, whereas at the moment, they're not – we don't have that good data on them, because they're not reported.

MS ABRAMSON: Thank you.

DR ROBSON: Thanks very much.

MR STEAD: Thank you.

MS ABRAMSON: Thank you very much.

MR STEAD: Thank you very much for your time. I was hoping to talk to you about school building funds, but I will let the record stand.

MS ABRAMSON: We have – as you can tell, we have actually read your submission in some detail.

MR STEAD: Thank you very much.

MS ABRAMSON: Thank you.

DR ROBSON: Okay. We've got – is it Danny?

MR D. MEAGHER: Yes.

DR ROBSON: Yes, please. And – yes.

MR MEAGHER: Can we fit Allison and John on?

DR ROBSON: Yes.

MS ABRAMSON: Of course.

DR ROBSON: Yes. As many people as you can fit around the table there.

MS ABRAMSON: I don't know if we can offer you fresh glasses. That's the only thing.

MR MEAGHER: Well, there's one here.

MS ABRAMSON: And the bishop is on hard stuff there. We're very friendly.

DR ROBSON: Okay. So if you could just state your name and the organisation that you're from. Welcome, and if you'd like to make an opening statement, we'd be very happy to hear it, and then we can get into questions. So thank you very much.

MR MEAGHER: Maybe we'll all introduce ourselves, then I'll provide an opening statement.

DR ROBSON: Yes. Yes. Very good.

MR MEAGHER: So my name is Danny Meagher. I'm an auxiliary bishop of the Catholic Archdiocese of Sydney.

MS A. NEWELL: And my name is Allison Newell. I'm an SRE coordinator for the Catholic Diocese of Broken Bay and the deputy chair of the National Confraternity of Christian Doctrine, which looks after the religious education of Catholic students outside of Catholic schools.

MR J. DONNELLY: My name is John Donnelly. I'm a regional coordinator in the Diocese of Broken Bay also, just north of Sydney here, and I'm the deputy chair of ICCOREIS.

DR ROBSON: Thank you. Please go ahead with - - -

MR MEAGHER: Opening statement. Thank you. So my name is Danny Meagher, and I'm auxiliary bishop of the Catholic Archdiocese of Sydney and have particular responsibility from the Catholic Bishops of Australia for the education of Catholics in public schools. My colleagues, John Donnelly and Allison Newell, are from the Catholic Diocese of Broken Bay, as they've said. Our submission in response to the draft report on philanthropic giving was made on behalf of a National Confraternity of Christian Doctrine, NCCD. The NCCD is the peak body representing CCD agencies within all the Catholic dioceses in Australia. They provide

religious education to students in government schools, so a number of dioceses, each has a CCD looking after the provision of Catholic education in state schools. Our submission focuses on the recommendation to remove DGR status from those CCD agencies, which would impact the provision of religious education in the public school setting.

We are here to focus on some of the points raised in our submission and would like to highlight following. Firstly, the draft report does not seem to take sufficient consideration of the religious education of children in public schools, nor provide persuasive reasons why DGR status should be removed. Secondly, there's no analysis of the enormous personal, family and societal benefits of religious education in public schools. Religious education is the foundation of our ethics in Australia and the fabric of our society, trying to build a better and more cohesive society. It's true of Christianity, Buddhism, Islam, all the world religions. Some of the classics of Christianity, love your neighbour, love your enemy. Do good to those who treat you badly. Be compassionate, as your heavenly Father is compassionate. Insofar as you did this to the least of my brothers and sisters, you did it to me.

Religious education is then the foundation of countless welfare agencies, hospitals, hospices, soup kitchens. Our NCCD submission, and others of the Catholic Church, expand on the benefits to society from religious education. Thirdly, there is no awareness of the way SRE works in public schools, in our submission. CCD is freely offered to all children in state schools. Our estimate, 200,000 in New South Wales, which benefits the children, families and our wider society. It's funded, at least in the Catholic Church, by the CCDs in each diocese, and these CCDs are funded by the tax-deductible donations of parishioners and others, people mostly with no connection at all with public schools, no private benefit to them. It is supported by a huge pool of volunteers. 10,000 is the estimate of all faiths in New South Wales, certainly 4000 Catholics.

CCD is run on the smell of an oily rag. What it offers cannot otherwise be delivered by the government or market. Fourthly, it is difficult to justify the removal of DGR status from religious education in public schools, which is the foundation of our ethics, and yet retain the DGR status for education in ethics in public schools. So finally, it is our submission that the teaching of religion in public schools meets the criteria for DGR status. Its removal will cause inequity. There are enormous benefits. There would be harm to our society. We respectfully ask that the commissioners review their position.

DR ROBSON: Thanks very much. So just to clarify, you mention ethics. Under our proposal that's in the draft, ethics would be treated the same way for the purposes of that recommendation, so there's no differential treatment.

MR MEAGHER: Sorry. We misunderstood the - - -

DR ROBSON: Yes. No. That's okay. So I might just ask you a few questions, and we've asked this of others. So we understand that, you know, SRE is largely supplied by volunteers, although there are some paid as well, but maybe if you could take us through so that the donations – what are they used for? Is it curriculum and training, those sorts of things? Maybe - - -

MR MEAGHER: Allison will be able to answer that much better.

DR ROBSON: Yes. Yes.

MS NEWELL: Thank you. So that's correct. The donations come via our parishes, our Catholic parishes, through a charitable works fund, and they are allocated to the support agencies who employ staff, teachers, to develop curriculum materials. So the Archdiocese of Sydney and the Diocese of Broken Bay in New South Wales are the developers of Catholic curriculum for special religious education. Our training programs are important. So SRE is a heavily regulated space in New South Wales particularly, which is our main experience of this ministry. It – there's a lot of compliance, and so the agencies are the ones who put the infrastructure around the volunteers that go into the schools, so without that support, it could well fall over, so there's training, there's curriculum development, initial and ongoing training.

There is – training is compulsory in this space, so it's not just a matter of do it if you want to. You have to, initially and ongoing. There's a huge focus on child protection, of course. No one can go into a public school without having undertaken child protection training, and also the negotiations that happen with the Department of Education and with the New South Wales Government are managed by these agencies, so as I said, there's sort of a whole framework around this SRE space that really has a pathway that leads the volunteers into the school so that they don't have to worry about the compliance, the latest of which is declarations around criminal convictions. All of that is managed by these agencies, CCD agencies.

The Archdiocese of Sydney and the Diocese of Broken Bay are probably the leaders in the Catholic Church in this space. There are 11 Catholic providers in New South Wales, but we support directly about two and a half thousand volunteers in those areas of Sydney, and across the state, 4000 Catholic volunteers. We understand the number is up to about 10,000. I think it's important to note, too, that the Catholic Church is a leader in this space, so in relation to negotiations with the Department of Education around compliance that came out of the review of SRE – that was an independent review conducted in 2015 – the Catholic Church was the main advocate for working with the Department of Education to ensure that these standards were put in place.

It would be fair to say that we really raise the bar in that period, and that had a benefit to all providers. We're probably also the largest supporters of the All Faiths group, so the other major faiths other than Christian. The Catholic Church convenes that group and supports them, given the lack of resources that they have. So for the good of all, we believe that, you know, if there's a chink in the chain, it can affect us all, so it really is across the whole community, and we work very closely together, very much at a strategic level, but that also happens on the ground at a school level, where people of different faiths, as well as ethics education, go into schools to educate children in an ethics worldview, depending on the choice of their parents.

DR ROBSON: Thank you. I've got one more, and then – yes. So what would be, in your view, the response of your donors to removing DGR? So we've heard other groups talk about, you know, the profile of donors and how, you know, a large percentage of donations come from a small number of donors, and then obviously that – you know, different donors of different income levels have different responses to changes in tax arrangements and so on, so can you tell us a bit about that?

MR DONNELLY: So I'll begin, but there's probably more points that can be made. As Allison was referring to, the volunteer base comes from the parish level of the church organisation, and of course, so does the donor base happen at that worshipping community parish level of the organisation. The deductible gift recipient status belongs to the CCD, which

is the support network at the diocesan level, so rather than every parish having to deal with compliance and what have you.

Even though the parish priest authorises the volunteer, the management of that authorisation process, screening process and guidelines for all of that is done at the CCD diocesan level. So I suppose what we're talking about – if the CCD is in jeopardy because of reduced donations through the removal of the DGR status, one possible outcome is that the risk management of having so many volunteers go into state schools into that child-safe environment, and in the world of compliance that we currently live, for the average parish, that would be a risk too great to take for a local community to support that. That's one response.

DR ROBSON: Yes.

MR MEAGHER: The way it works, people contribute in a Catholic mass in the pew collections. I don't know if anyone here suffers it. The first collection belongs to the priest and the upkeep of the priests, of the diocese. The second belongs to the parish. Neither is tax deductible. There's a charitable works fund collection which occurs three times a year, and parishioners and other donors who aren't parishioners are aware that any money they contribute to that collection is fully tax deductible, and from the charitable works fund, CCD is funded, prison chaplains, hospital chaplains, the death ministry. Each diocese will differ a little bit, but a number of good works are funded from the charitable works fund.

DR ROBSON: Right.

MR MEAGHER: And that is specifically 100 per cent tax deductible, and it gets a lot of money because it's separate to the non-deductible collection, so it would be a large impact if the tax deductibility was taken away, because that's, in a sense – I mean, there are charities for good works, but they are tax deductible, and that's a big difference - - -

DR ROBSON: Yes.

MR MEAGHER: - - - to the other regular first collection, second collection every Sunday.

DR ROBSON: I understand. Yes. I guess I'm interested in the – you know, that exact response and appreciate there would be one, but, you know, what – is it the case that – and maybe you don't have data on this, but if you have a sense of it – is it, you know, many small donations, or is it a couple of big ones and then a tail, or - - -

MR MEAGHER: You get big ones for the CWF, having been a parish priest for 25 years. Parishioners with large income will donate to the CWF particularly because they'll get a tax deduction, so the number of large donations are made to the CWF and a lot of others, but we get the large ones as well.

DR ROBSON: Yes. Okay. Thank you.

MR DONNELLY: There's probably a tail – if I may just - - -

DR ROBSON: Yes.

MR DONNELLY: There's probably a tail as well, because this ministry in particular, we appeal to parishioners on the basis of, you know, \$5 will get a book for one student to use for the year, and, you know, \$200 will get a class load of books. So oftentimes, when we appeal in that fashion, the local community is thinking about those kids down the road at the state school, which just by the by, are, more often than not, not part of the worshipping community.

MS NEWELL: Yes, and not necessarily Catholic, so we are aware that there are – anecdotally that there are a lot of students in our class who aren't baptised Catholics and certainly, as John said, not members of the worshipping community, but their parents choose for them to have some religious education. We also believe that giving is relational, certainly in a faith-based organisation, so that people will see the benefit of students receiving some religious education to broaden their worldview in a public school, and they will probably not know who those children are. Yes.

DR ROBSON: Thank you.

MS ABRAMSON: If I ask about – and you were present in the room, so I'm hoping this is okay – just your views about the basic religious charity exemption, and as you know, we propose its removal, but what grounds you would argue from a policy perspective as to why it should be retained? So I'm very interested in the issues around governance which I spoke to the previous speaker about.

MR MEAGHER: I'm prepared to say a couple of things, but I'm not briefed for that. I think the ACBC, Australian Catholic Bishops Conference, has a submission, and they might be speaking specifically on this, and possibly the Catholic Archdiocese of Sydney had someone speaking about it, but just so – with no expertise and just off the cuff, the two issues that concern me would be that were – what's the word, registered proprietor?

DR ROBSON: Responsible person.

MR MEAGHER: Responsible person, who is a parish priest, were – under the changes, it could be that the parish priest is removed and appointed, or the bishop is removed and appointed by the ACNC or on appeal to some court. Now, the history of the Catholic Church church-state relations is littered – go back to medieval days, dark ages – with kings trying to appoint bishops and control the church through the appointment – so up until our difficulties with the Chinese Communist Parties, where they're trying to appoint bishops in China, we see ourselves quite independent of the government. We support the government. We need governments. We try to assist the government as best we can, but we're not the government, and we want to build up the Kingdom of God according to our own lights, and we don't want to be subject to the government of the day. So that's one problem we have with it.

The second problem is that a number of our parishes, as I understand it – it's 21, I understand, in Sydney – would be required to undertake a great deal more financial probity. Accountants would have to be appointed, which they already are, but more additional work would have to be done at the cost of the parish, and to what additional benefit? I don't see what additional benefit would be. However, that submission would be better – or the answer would be better given by a financial person who could explain exactly what the additional accounting auditing requirements would be, how costly they would be, and whether there's any benefit whatsoever to philanthropic giving by simply increasing the cost of – you know, they're larger parishes, but still, there are other things we want to do.

DR ROBSON: Thank you.

MR SEIBERT: Just want to take you actually back to the charitable works fund, because we are interested in this inquiry around the use of different giving structures and vehicles to facilitate giving, and I just looked it up, because I remember at one point the Archdiocese of Sydney had – like, each parish had a public ancillary fund, and it was quite kind of complicated, but then it was kind of consolidated into one, so is this like a – kind of a vehicle you use so that parishioners can contribute, claim the tax deduction, and then it’s distributed to various organisations and causes based on sort of need? Is it – what’s its role in - - -

MR MEAGHER: Yes. Yes. It’s publicised. We give a little pamphlet out to the parishioners and all the donors where the money will go to and what percentages. They’re the charities that I indicated, and we get a certain amount of money in the diocese. I think, Allison, is 2.2 million that goes to CCD?

MS NEWELL: It’s between Sydney and Broken Bay, there’s \$2.2 million that goes to CCD, which looks after religious education - - -

MR MEAGHER: In public schools.

MS NEWELL: - - - of children in public schools, and then there are other - - -

MR MEAGHER: Other charities.

MS NEWELL: Like, the Ephpheta Centre for Deaf - - -

MR MEAGHER: Which is for the deaf. Prison ministers.

MS NEWELL: - - - and prison ministry, hospital chaplaincy. They get a smaller amount. So I know certainly in Broken Bay, 85 per cent of that charitable works fund goes towards the religious education of Catholics in public schools and others, as I’ve made that point. We don’t discriminate. It’s for the common good that special religious education is considered to be on offer, free, except for the DGR status, but it’s free to families who attend public schools, and the parents have a voluntary choice to enrol their children in that program or not, but we certainly don’t say, “You’ve got to be Catholic, show us your baptismal certificate.” This is really a ministry of the church that is for the common good of the community.

MR SEIBERT: It might not be sort of something that you can ask, but I’m going to steal your thunder, Julie, to ask about – the government is proposing to phase out cheques.

MS ABRAMSON: Yes. I’ve become the cheque person today.

MR SEIBERT: And we have heard from some charities that have been joining in the hearings that, you know, they still get a fairly – relatively large slice of their giving from cheques, especially amongst sort of some older donors. Do you have any sort of, yes, thoughts about that, in terms of how important it is for your fundraising?

MS NEWELL: I – that’s a surprise to me, knowing how it works at a parish level, is that people can give by providing their credit card details, or they can go online and donate. A lot of people do that.

MR MEAGHER: But people do contribute by cheque. Being a parish priest - - -

MS NEWELL: You still do that. Yes. Okay.

MR SEIBERT: On the website, it's got cash and cheque under the charitable works page.

MR MEAGHER: Being parish priest, I know we get lots of cheques.

MS NEWELL: Quite a few cheques. Yes.

MR MEAGHER: Especially from the more elderly ones. Large cheques.

MS ABRAMSON: Okay.

DR ROBSON: I just have a question. Maybe you can answer this, Allison, and I think, Danny, you talked about it, the social cohesion that SRE provides, both to kids who are in that class but also children who may not even attend, and their parents have said, "We don't want it," but they still might benefit, and then if there's any unintended costs, you know, maybe it creates additional tension, or maybe it doesn't, but I'm just interested in hearing more about that experience.

MS NEWELL: Yes. Okay. So I think, certainly at a strategic level, at the state level, there are – there's a committee – the Department of Education has an SRE/SEE consultative committee which has people from all religious faiths and the ethics community, primary ethics, where they work together for the good of the program, and certainly the terms of reference of that committee are such that the idea of it is to constantly improve the program with training, with curriculum, with troubleshooting at a school level, and that flows through the framework of SRE.

If you like, we're at the bottom, providing all of this support, training, curriculum, all that I've mentioned, but then that goes into the schools, and certainly we believe it supports the multicultural fabric of Australian society for people from all religious faiths and from a secular ethics background to come into a school together, where children are divided into classes and taught the faith of their families or the faith that their parents choose, and there's a great camaraderie and good will among those people. A couple of times a year, there are interfaith or Christian denomination assemblies that are held together, so all those people will come together in the hall. It certainly helps to build upon the multicultural fabric of society. There is good will amongst all, and it comes from the top down, we believe.

MR DONNELLY: If I may add - - -

MS NEWELL: Yes.

MR DONNELLY: - - - at the school level, what happens at SRE time is that the students move to their respective classes, including ethics, and for those who chose alternative activities, they're supervised by their school. I think there's great – a great lesson in tolerance in just that movement. As I've arrived at the school, many times I've seen students moving to various classes, all at the same time. It's an exercise in acceptance and tolerance that we all have different worldviews, different faith perspectives, and we're all entitled to be educated in that at the same time.

You may also be aware that embedded throughout the curriculum of New South Wales education, and also across the Australian curriculum, are ethical and religious studies type objectives, and that's a different type of learning. That's learning about religion. We feel in order to build acceptance and tolerance, you actually need education in your own faith, those of us who have faith, and that better informs the practice of acceptance and tolerance and of – as you're probably aware, all faiths – all the different major world religions are teaching those similar sorts of ideals of acceptance and tolerance.

MR MEAGHER: Just to chip in from my own experience, having been an SRE student back in the day, we'd all go off at a particular time. The Christians would go off, Catholics would go off, the Anglicans would go off, and then we all came back together again, and they said, "You're Anglican," and we just normalised the fact that people are of a different faith, and then we got on with our – whatever class we were getting on with. As a scripture teacher, which I've been doing since I was 19 years old, two experiences.

One, the morning after 9/11, I was at Greenfield Park Public School going into scripture at 9 o'clock, and the school – everyone was horrified and shocked, and everyone was traumatised, so the school principal stopped everything else, and he asked me if he would lead us all in a prayer. So that's, you know, building cohesion. I know it's probably against all protocols, but the situation demanded it. And in another parish, there was a Buddhist nun who didn't get a lift home. It was a hot, hot area, so, you know, we'd always make sure that sister got a lift back to her monastery, one of the Catholic teachers, so, you know, it's - - -

MS NEWELL: There's a ripple effect.

MR MEAGHER: You know, people see each other, and cohesive - - -

MS ABRAMSON: Can I ask one final question, because I think we started a little bit late, with you about volunteering. Leaving aside the discussion that we've had about DGR and how important that is to providing the support for training of volunteers, we see volunteering overall declining, but not necessarily with faith-based organisations, so I'm interested in your concerns or whatever around things which might be barriers to volunteering, leaving the tax issues to one side.

MR MEAGHER: Allison, you know better than me.

MS NEWELL: Yes. Thank you. That's a really good question. As I said, we believe that anyone who gives either of their money or their time in a face based – based setting does so from a relational perspective. There's a real sense of wanting to contribute to the common good of society, whether it be through religious education in government schools or, you know, aged care or hospitals, whatever. So

I think that's – that's one area. Certainly in relation to volunteering in our space, we did identify the trend that was happening across the country with volunteering declining. It reached its peak about – up to about six or seven years after the Sydney Olympics and then started to decline.

And we saw a rapid decline during COVID even though we were keeping – we couldn't go into schools and we were keeping our volunteers together online, but we did see a decline mainly due to health issues – underlying health issues of some of our volunteers. It would be fair to say we are climbing out of that and we have certainly seen an increase in the last 12 to 18 months in our volunteering. When we recruit, we call it recruitment but from a faith perspective we are calling people to respond to God, and people of faith will respond in that way and quite often they won't

immediately but they will, because they actually discern what it is that they want to do to give back.

Part of our training program, the very first question we ask people, “What – why are you here?” Virtually, “Why did you respond to this call?” and I would say 90 per cent of the time it’s – people say, “It’s because we want to give back”. So they really feel that they have had, you know, as – as a person of faith, they have had perhaps a good life or they had been supported through a difficult life, whatever, but they want to give back to children and young people today, and there’s plenty of evidence today. The Mission Australia survey that was conducted recently shows about up to 50 per cent of young people in the adolescent category with mental health issues at some time across their years of adolescence and we believe this helps.

MS ABRAMSON: And so could I ask you – and I promise it’s my final question. We’ve been told that young people want – who are prepared to give time want to give to a cause, to a particular thing - - -

MS NEWELL: Yes.

MS ABRAMSON: - - - whereas older people are prepared to – “well, how can I help?”

MS NEWELL: Yes.

MS ABRAMSON: So what’s your perspective given that you would work – work with a whole cohort of volunteers?

MS NEWELL: Yes. I think – I think that’s fair. Young people have a sense of social justice, so even if they’re not in our churches they have that. They are formed, if you like, in the faith through religious education - - -

MS ABRAMSON: Yes.

MS NEWELL: - - - wherever that happens and they – they really have a sense of wanting to make a difference, to do something, so work in the local soup kitchen or, you know, whatever. That’s certainly the case, whereas I think as people age they do want to give of themselves in – in some way to give back. I think they’re giving back.

MS ABRAMSON: Yes, yes.

MS NEWELL: Young people are on the start of the journey of – of providing support to those who might need it, but for older people I think it’s about giving back.

MS ABRAMSON: No. That’s – that’s – thank you so much. That’s been really helpful.

MR DONNELLY: And just another point on that, what we’ve found with some of our younger volunteers, because they’re university students, it’s more about try and see, have a look and see - - -

MS ABRAMSON: Yes.

MR DONNELLY: - - - what it’s like, and we’ve experienced a – a great reluctance to make commitment, so for more than - - -

MS NEWELL: Yes, yes.

MR DONNELLY: - - - six months at a time.

MS NEWELL: That's true, yes, but so is - - -

MS ABRAMSON: Yes. That resonates.

MS NEWELL: Yes, yes.

MS ABRAMSON: If you have any data – you said you did do a survey or something of your – your volunteering and you noticed a decline and the – but the decline was greater during COVID.

MS NEWELL: Yes.

MS ABRAMSON: Any data that you've got I'd be grateful.

MS NEWELL: Yes. I could certainly find some.

MS ABRAMSON: Thank you.

MS NEWELL: We do an annual census of our volunteers and student numbers.

MS ABRAMSON: That would be great. Thank you.

MS NEWELL: Yes.

DR ROBSON: I've got one last one. So we talked about DGR and – and SRE. Talk us through – I mean, one alternative to DGR is – is government grants. So is that a feasible alternative or would be there problems with it, advantages, disadvantages? So the government could just say, "Well, given that we've got this system set up in, for example, New South Wales, we say it should be in schools, and now we're just going to fund it through grants". Would that be a different way of doing things?

MR MEAGHER: My – my - - -

DR ROBSON: Would it be better or worse or - - -

MR MEAGHER: My hesitation to that is that they'd have to work out somehow or other some equitable basis to decide the Catholics get so much, the Christians get so much, the Anglicans, the Buddhists or the – and these Buddhists and those Buddhists and these people.

DR ROBSON: Yes.

MR MEAGHER: And so how would that – that be done? That would be difficult.

DR ROBSON: Yes.

MR MEAGHER: And then it would have to be – you’ve got to regulate and control it and I think the – the different churches would have to respond with a – an acquittal for the money they’ve received. So there’ll be an awful lot of administration. Just giving a tax deduction and let us – letting us get on with it, I mean, we – we – we can’t just get on with it. We’ve got a lot of compliance that we have to do and to make sure that the – that catechists are trained and have their children protection materials all done. And I think that would be much simpler than government direct grants with – with all of the compliance and the – how do you work out who gets what around it, and then making the applications and how much it – yes. I – I think it would be really, really difficult.

MR DONNELLY: I think too given what I described before about the volunteer base and the donor base being very local, our parishes are – are very interested under the guidance of Pope Francis to outreach to their local communities and serve their local communities. So a lot of the motivation for donations and volunteering is immediate around their area, about their parish and location.

DR ROBSON: I understand.

MR DONNELLY: So that would tend to centralise into organisations at the diocesan level - - -

MS ABRAMSON: Yes.

MR DONNELLY: - - - and take that connect between volunteering and donating out of the equation for us, which would make it very difficult to - - -

MS ABRAMSON: Yes.

MR DONNELLY: - - - service the ministry.

MS ABRAMSON: Thank you.

DR ROBSON: Thanks very much.

MR DONNELLY: Thank you very much. Thank you.

MR SEIBERT: Thank you.

MS ABRAMSON: Thank you.

MS NEWELL: Thank you so much.

MR DONNELLY: Thank you for your time.

MR SEIBERT: Let’s take a break now, I think.

DR ROBSON: Yes. We’ll take a break, let’s say, for 15 minutes, 3.35 and then we’ll come back for Cathie.

MS ABRAMSON: Thank you.

DR ROBSON: Thank you.

ADJOURNED

[3.19 pm]

RESUMED

[3.36 pm]

DR ROBSON: All right. We'll get started, I think. So welcome.

MS C. COCHRANE: Thank you.

DR ROBSON: If you could just state your name and the organisation that you're from or if you think - - -

MS COCHRANE: Yes.

DR ROBSON: - - - you're going to appear in a personal capacity as well, you were saying that – but – but I'll - - -

MS COCHRANE: I will.

DR ROBSON: - - - let you explain that and then if you'd like to make an opening statement and then we'll get into questions.

MS COCHRANE: Thank you. Yes. My name is Catherine Cochrane and – Cathie for short. You might have seen that on those. And I'm the chairperson of Three16 Shoalhaven. And Three16 Shoalhaven is an incorporated association with its other name trading as the Shoalhaven Employers of Christian Education Teachers Incorporated. It was maybe the second board in New South Wales to be established about 31/32 years ago that provides Christian education in the high schools but not necessarily in the primary schools, although some of the teachers will do lessons during the week voluntarily. Yes. So first of all, Alex, Julie and Krystian, I'm just pleased to be here. I'm nervous to be here.

MS ABRAMSON: Don't be. We're very friendly.

MS COCHRANE: It was – it was intimidating to think I'd have to speak for half an hour and most relieved when you said some small introduction and you can ask some questions.

MS ABRAMSON: We're very friendly. You've been sitting here - - -

MS COCHRANE: I have.

MS ABRAMSON: - - - so - - -

MS COCHRANE: Yes. So I would – I'd like to recognise the – the Gadigal people of the Eora Nation as we meet here today and – and I hope and pray that we will grow in reconciliation towards the future. And a quick aside, when I had a wonderful person who volunteered his time – this is a key word here. He volunteered his time and in my submission I had written GDR, GDR instead of DGR, and he said, "Did you want to talk about the German Democratic

Republic?” and I thought, “No. That’s why I was very late at night writing that part”. This is a submission from the management committee. It’s not just me. I did wordsmith a lot of the things, and I’m taking it that you have read our report which is not really a – a submission as such in the way that all these other fancy people have done.

It’s taking a comment and making a response to each of those comments in – in that. I rely on the definition of “philanthropy” which talks about love of human kind, especially as manifested by deeds of practical benefit, and that such practical benefit has been recognised by the Commission and include but not limited to the giving of money, time, skills and assets. And in that sense, that volunteering is part of this philanthropy. That’s the giving of time. For Three16 Shoalhaven the giving of time is by its management committee and all those people who do give of the – the philanthropy is that they give of their assets and it is funded solely by contributions and offerings and quite often very sacrificial offerings.

The issue with them – the removal of that tax deductibility benefit is – I think it was said very well by the last contributors with the Catholic delegation, that Alison spoke about it was relational, that people would give because it was relational. But I see it as it’s the grassroots involvement where people – if grants were substituted instead of the tax deductibility program, I see that people would be looking at – they’re not looking at a person. They’re looking at a government and they want to be relational and to have this grassroots involvement with people. They don’t want to think that it’s going to be imposed by a government, yes. And the working out of proportions of whatever would be just a nightmare.

And in that way, the tax deductibility ability would be so much easier and – because I think people would give more when it’s that – that way rather than – well, that’s the equivalent of what you would have given, you know. It’s too – too removed. It’s not – not personal enough. Now, I wanted to say that the Youthworks contribution says a lot about the tax deductibility that I could not say. They’ve said it in better words. And I wanted to thank you for this, although I am reminded that your report appears to be very anti-religious in lots of ways and doesn’t seem to recognise a community wide benefit which involves not valuing the amazing volunteer workforce that we’ve heard is at least 10,000 volunteer work workers in a school week.

We have to realise that. It’s 40 weeks a year. That in the delivery of – of SRE to students in government schools. Maybe I should have said more about our response to this report as being a Christian organisation, the SRE being worth support because of its foundational role of Christianity in western, including Australian, society and culture, including the legal system and agreed western values. Students need to understand Christianity in order to understand their own culture. Even many of the expressions, “good Samaritan”, lots of interesting expressions that we have in our language are there and to be able to understand the references makes for a better, well rounded education.

A friend taught with an atheist colleague in the English history department at a public high school that I won’t name who thought that students should study the old authorised version of the Bible in order to learn the basis of modern English. And maybe just elaborating that SRE contributes to the culture and ethos of a school and the civic formation of young Australians for citizenship. There’s a book by Tom Holland called *Dominion: the Making of the Western Mind*, and it – and on the blog on the back of it – the inside’s even more fascinating, but the blog lures you into this book:

We're all 21st Century people, Richard Dawkins has said, and we subscribe to a pretty widespread consensus as to what is right and wrong, yet what are the origins of this consensus? It has not remotely been given across the reaches of space and time that humans should believe it nobler to suffer than to inflict suffering or that people are of equal value. These are convictions which instead bear witness to the most enduring and influential legacy of the ancient world, a revolution in values that has proven transformative like nothing else in history; Christianity.

Dominion explores why in a society that's become increasingly doubtful of religion and religion's claims so many of its instincts remain irredeemably Christian. Even the increasing numbers in the west today who have abandoned the faith of their forebearers and dismissed all religion as pointless superstition remain recognisably its heirs. The enduring impact is not confined to churches and can be seen everywhere in science, in secularism, in gay rights and even in atheism. I will point out that our provision of SRE in schools is to provide well trained educationalists to help students explore and engage with the Bible and engage its message for valuable social and life skills, and gives – it's shaped the civilisation in which our students live and their own culture to give them words of life for hope.

From a Christian perspective this is what we have done, but we recognise – I'm also the Uniting Church representative on ICCOREIS and you would have heard that submission yesterday and John Donnelly is the deputy chairperson – that we recognise the valuable link and cooperation that has come to bring social cohesion through all faiths. And so I speak with not only an ecumenical but an interfaith perspective as well, and the value of that in that space within the public school system in New South Wales where it's legislated. I'm not sure whether you realise that the legislation allows up to at least half an hour per – per week is allowed for that special religious education, up to the number of hours as per – per weeks that are in the school year.

So up to 40 hours. So it's very highly structured and as has been mentioned, each teacher has – we require – this is with Three16 Shoalhaven. We require that they have the basic SRE module qualifications training that is across all faiths, specialising then in the high school methodology and child development. We require also that they – of course, even to get into a school you need the Working with Children Check and the criminal check now, but they have to also go to their particular authorised provider, so the denomination that they are authorised from, to do the safe church, safe ministry, safe spaces training as well. So – and we require that they are not only educationally but theologically trained.

Given that your purpose is to double philanthropy by the – 2030, it does run the risk of alienating the group which contributes most to charities, namely the religious community, with various words that are in that report that we feel are quite anti-religious at times and not valuing this amazing workforce that is there. The contribution of peoples of faith goes beyond the voluntary time but also is a benefit for the community. It was outlined by Sarah Derrington J and she says:

There are numerous societal or benefits of religion, which include lower levels of criminal behaviour both at individual and societal levels, increased civic involvement, increased levels of education, increased volunteering both at religious and secular organisations, compared with the non-religious or atheist, increased marital satisfaction, lower divorce rates and decreased likelihood of domestic violence, improved mental health, lower rates of heart disease and lower blood pressure, increased life expectancy –

there's, you know, 14 or so of these references:

...increased subjective wellbeing and social support and coping mechanisms that alleviate stress and loss.

And she's got various numbers in that – in her study and it was a – a public – public lecture in 2019. And put a number of 30.5 million hours in volunteering to a monetary value of thirty – \$339 million. Now, I can't – you know, I can just quote the study. I'm impressed that because it – SRE is within the Education Act and all faiths are able to participate in that timeslot, it has bipartisan support within the New South Wales legislation. So to change that would be problematic, and also to change some of those definitions in the Charities Act of 2013 might also be problematic. I would like to take an example from a great storyteller and tell you a couple of – because I feel that some of the other contributions have gone into the technical side of this and I'll just tell you a couple of stories that are from the Shoalhaven.

The teacher who introduced himself at the beginning of the school year with his name, his wife, his child, he said, "What about the honeymoon photos?" and he showed them the slum tour of the world because he'd come from a social science background. And he highlighted to the students the place where they lived, the living conditions in other parts of the world, and these became a seed story once a story by – that Jesus told about a woman at the well. The students then initiated a fundraiser for a well in India because they saw that what they were doing in their classroom had implications for social justice. And in the long run, the fundraiser became school wide. The – the students who raised the most money had the privilege of shaving his head off – hair off, and - - -

MS ABRAMSON: The teacher?

MS COCHRANE: - - - the one who raised the most was able to chop the ponytail off. And parents and the whole school community were greatly excited about this whole thing, that the kids – and this was three students in the top year 7 class. And I know about it because I was in the school and his room was next to my staffroom. The SRE group – school – the school representative council was asked to do a survey to find out a solution for truancy. And the response was, "Well, there'd be no problem for truancy if religion was every lesson". I think it was to do with the presentation of that same particular teacher at the time. One of our teachers reported a student who was a self-confessed atheist but he attended religiously the SRE lesson from year 7 to 10.

In year 11 he came back to talk to the teacher with some excitement and he said, "Sir, remember what you taught us – taught us about respecting others and how to treat girls?" You know, we treat each other similarly. Well, he said, "I've been watching how the guys here at school get their girls and I decided to use what you taught us and – and – instead of their tactics and I've got a really nice girlfriend". And then the last example just – and it only happened six months ago. Before meeting any students or staff, Three16s latest employee received a call from a local op shop saying that a teacher was looking for wetsuits for teenagers that – for the school's indigenous surfing program.

They had three, which were delivered to the school, and a – a request amongst staff confirmed that more would be most welcome. So she went to the local church. Parents and grandparents and lunchtime volunteers supplied over a dozen good quality wetsuits and delivered them to the school. I guess it's one of those statements that says it's faith in action. And in that same sense, the curriculum that we are using talks about faith in action coming out of a faith basis that

Lifeline 131 114 started with people of faith realising a need. They didn't have to be religious and they are not promoting religion, but they're doing it for the wider benefit of society. And in the same way, the Royal Flying Doctor Service has been established.

This is also in the curriculum. The \$20 note is an Australia wide statement to say this is really important. It came from a faith basis to combat the tyranny of distance and the need for medical help given indiscriminately across the nation. I think I've said enough at this stage. I could say a couple of things more personally but if you want to ask some questions that's fine.

DR ROBSON: All right. Thank you very much. So I'll just - - -

MS COCHRANE: I should talk about cheques.

DR ROBSON: Yes. Well, Julie I'm sure will ask about that.

MR SEIBERT: Julie will ask about that.

DR ROBSON: Yes.

MS ABRAMSON: Well, I'm worried about the \$20 note now.

DR ROBSON: Yes. Thank you, Cathie. I – I mean, I – I will just respond to – to some of the things you said in particular about the value of religion. We do point out on page 191 of the draft report that religious organisations and the practice of religion plays an important role in many people's lives and in a range of communities across Australia, and we go on to say that religious faith and values can also provide important inspiration for undertaking a range of charitable activities - - -

MS COCHRANE: Yes.

DR ROBSON: - - - and – and so on. So what we're interested in this report – and you would have heard me say this before – is, yes, we have a – a – this deductible gift recipient system in Australia which, you know, we – when we looked at it as part of the terms of reference with this report, it really had no coherent policy – set of policy principles underpinning it, so we developed a set of principles and then applied those, noting the importance of different motivations for giving and the importance that religious faith plays not only in motives for giving but also in a practical sense and – and the things that you've talked about.

And so the question really that we're, you know – we're – we're really interested in is, you know, according to those three principles, you know, is there – is there a – a role for government in certain activities? Is subsidising philanthropy the best way to provide that support? And then is there any risk of, you know, a nexus between donors and beneficiaries in this, you know, effectively converting public support into a – into it. And so that's really what we're getting at, and so that's why we're interested in these issues is, you know, have we got it right? Have it got it wrong? And so we're very interested in hearing from you on that basis. So I just wanted to put that on the – on the record but, Krystian, did you want to kick off with some questions?

MR SEIBERT: Thank you for your – your comments and for joining us today and coming in to – to meet with us. We really appreciate it. I'm interested to hear, sort of – because we've heard a lot from different providers of SRE and it's been really helpful in terms of the

perspective shared with us, but it would help to understand, sort of, what – what actually happens on – in practice in terms of how it’s delivered, like, sort of, we’ve got the school year starting now, and your - - -

MS COCHRANE: Yes.

MR SEIBERT: Your teachers are going into those four schools in Shoalhaven and - - -

MS COCHRANE: Yes.

MR SEIBERT: - - - sort of, you know, what – what’s happening on day 1? What does it actually involve in – in the – in terms of the teaching?

MS COCHRANE: Well, what normally happens is the teacher is embedded into the timetable. So they’re given a space and a time. In one of the schools they have put them in the timetable at a certain time and extended the first rollcall lesson so that they can put this into the timetable. They’ve had issues with timetabling. To be a principal in a school, to have extra – but over the last 31 years I guess we have saved the government an awful lot when you have – it has been one lesson per school class in the timetable. So the religion teacher might have – if a normal classroom teacher has 35 lessons a week, a religion teacher might have 25/28 because they don’t do rollcall as such or they don’t do playground duty.

And they’re not expected to do reports even though some of our schools have required a report that says participated in, understood, contributed to discussion, because there’s no right or wrong in a – in a – in a curriculum that requires students to engage and discuss and respect and listen and form their own opinions. So you can’t make a judgment whether they’ve ticked that box in a tick a box program in a – in a – a skills thing. So this – the teachers will go. They will introduce themselves, hopefully not with the honeymoon photos, but maybe an insight into what makes them tick and why they’re there. They will say, “I’m paid, but not by the school. I’m paid by representatives of 31 churches – 30 churches”.

The 31 is the number of years. “30 churches in the Shoalhaven who give money and want you to learn about the Bible and form your opinions because, you know, this is the most read book in the world, so you might learn something that’s important out of it.” That might be the way – that’s how I would start and I’ve done relief casual for that program as well.

MR SEIBERT: So you – do you, sort of, basically start like, you know, day 1, okay, sort of, like, in terms of the tenets of the – the faith and all the, sort of, like - - -

MS COCHRANE: No, no, no.

MR SEIBERT: No. Is it - - -

MS COCHRANE: No. You would start – I’m – I’m just picturing my PowerPoint for the first - - -

MR SEIBERT: Yes, yes, yes.

MS COCHRANE: - - - lesson and it would be introduce myself. I recognise, oh, there are the schools – respect, responsibility, whatever the – the things are up on the wall. You would note

those and say, “Well, they stand for this class too”, so you have to respect each person in the class and only one person will talk at a time. Now, if it’s year 7 you’ll say, “You raise your hand when you want to talk. You will be given a chance to talk. Don’t interrupt when that person’s talking”. I mean, it’s simple classroom dynamics, but if you start from the first day and they’ll know - - -

MS ABRAMSON: We should implement that at the Commission.

MR SEIBERT: We should, yes.

MS ABRAMSON: They should have to do that.

DR ROBSON: It will never work.

MS COCHRANE: Anyway, so - - -

MR SEIBERT: You didn’t put your hand up, Julie, yes.

MS COCHRANE: Look, it’s – it’s – it’s – I’m just talking really basic here.

MR SEIBERT: Yes, yes.

DR ROBSON: Yes.

MR SEIBERT: No. It’s really interesting though, the – the practicalities of it.

MS COCHRANE: But – and so I would introduce myself and say, “Look, you know, I’m a farmer and, you know, you’ll see this”, and – and whatever. So – yes. And I’m doing this because that’s my – well, in the – in Three16 you might be paid. I didn’t accept payment for that for about 20 years because – but since I’ve been – since all the – all the protocols and all this litigious society, the board said, “I think you should be paid when you do casual work so that there’s no issue with workers compensation if you trip up the stairs or down the stairs or something like that”. So I would just talk about that. I would say, “We’re going to talk about some issues in society. We will say what everyone thinks. We will ask what you think everyone thinks. What does society think and what does the Bible tell us”.

And quite often that whole scenario gets repeated about we treat each other’s – other as we would like to be treated in the variety of stories that come out of the context of the scriptures. They start in the Old Testament, so the Torah is explained. You know, it’s embracing of all those things. Yes.

MR SEIBERT: Okay. Yes. No. That’s really helpful. Thank you.

MS ABRAMSON: And your teachers are all volunteers, aren’t they?

MS COCHRANE: No. Our teachers are all employed.

MS ABRAMSON: Okay.

MR SEIBERT: Okay.

MS COCHRANE: This is why the donations are very important for our - - -

MS ABRAMSON: So it's a different model to some of the others, isn't it?

MS COCHRANE: This is slightly – that's – the primary model is all volunteer teachers.

MS ABRAMSON: Yes.

MS COCHRANE: Like, the first – the first 11 years – the – our first 11 years that I was teaching at the school I went back after having children as permanent part time and I was able to isolate the particular day that I taught voluntary at the local primary school - - -

MS ABRAMSON: Yes.

MS COCHRANE: - - - from my high school timetable. So for 11 years I was doing both. So that was really good. I wasn't teaching SRE at the high school - - -

MS ABRAMSON: Yes.

MS COCHRANE: - - - only in the primary school. So we employ the teachers at the high school because there are so many people of different ages who – a lot of old people who are giving very sacrificially. No, they're not the most probably making any impact on that – that tax deductible because their offerings are not in the \$5000 bracket. They might in – be in the \$50 bracket. But I don't think they would go to a model and make that offering if it – if someone said, "Oh, you would've given that. We'll give you a grant for, you know" - - -

MS ABRAMSON: Could I ask - - -

MS COCHRANE: Yes.

MS ABRAMSON: - - - just one follow up, if I may.

MS COCHRANE: Yes.

MS ABRAMSON: So how do the students come to you? Does the principal say from day 1 - - -

MS COCHRANE: Well, until the last – the last four years when the whole model changed - - -

MS ABRAMSON: Yes.

MS COCHRANE: Until then they were put in classes. They could opt out if they wanted to - - -

MS ABRAMSON: Yes.

MS COCHRANE: - - - and parents said to opt out.

MS ABRAMSON: Yes.

MS COCHRANE: And once the enrolment changed to opting in, then in some of the schools where you won't even get a permission note for an excursion, then that became problematic. So that was – that was problematic. And that school dropped lots – one of the schools dropped incredible numbers of lessons and the teachers could not be timetabled on to classes as such. They had to make composite classes.

MS ABRAMSON: No. Look, that's – and thank you very much for your coming to talk to us because it's really important to hear what it's like when you're actually delivering the service. So that's what my colleague Krystian was asking you - - -

MS COCHRANE: Yes.

MS ABRAMSON: - - - so many questions. So it's been - - -

MS COCHRANE: That's okay.

MS ABRAMSON: - - - a really valuable contribution to the inquiry so thank you.

MS COCHRANE: Yes.

DR ROBSON: I've got one further question, Cathie. You mentioned your experience where you started as a volunteer and then things have changed in terms of – you were talking about litigation but I guess it's the - - -

MS COCHRANE: Yes.

DR ROBSON: - - - costs of regulations more generally and that, you know, moved you into, you know, paid situation.

MS COCHRANE: Well, I just did it casually.

DR ROBSON: Yes, yes.

MS COCHRANE: When – when the teacher said, "I'm sick. Can you do it today" - - -

DR ROBSON: Yes, yes.

MS COCHRANE: - - - well, okay.

DR ROBSON: Do you – do you think that's – I mean, this is interesting because then, you know, do you think that's a common experience? Have you heard, you know – is that happening more broadly or not? Because then that would, you know, suggest to me that the value – whatever value DGR is providing, that would be going – the value would be increasing over time if – if it's moving from a volunteer situation to a paid situation and which do you - - -

MS COCHRANE: Well, Three16 Shoalhaven is basically paying teachers.

DR ROBSON: Yes.

MS COCHRANE: The management committee don't take any – it's all voluntary.

DR ROBSON: Yes.

MS COCHRANE: So it's a completely different model to what was - - -

DR ROBSON: Right.

MS COCHRANE: - - - in the primary schools.

DR ROBSON: Yes. Okay.

MS COCHRANE: But it – it's a valuable thing. Like, at the end of every year, each person who makes an offering will get a tax statement. How they use it is their prerogative. I think a lot of the people who don't understand the tax system may well not have but there are a number of middle aged families who make those offerings and do it on a regular basis so they will have monthly regular donation and their statement at the end of year will be used for that. Yes.

DR ROBSON: Yes. Okay. Thanks. Do you have any other questions?

MR SEIBERT: No. I'm all good.

MS ABRAMSON: No. That was really great. Thank you.

MR SEIBERT: Yes. Thank you so much.

MS ABRAMSON: And thank you for being here today.

DR ROBSON: Thanks very much for your time.

MS COCHRANE: And we don't do cheques.

DR ROBSON: Okay. All right. Very good. There you go. Thank you.

MS ABRAMSON: Yes. Thanks.

DR ROBSON: So we'll now call these proceedings to a close, unless there's comments from the floor.

MS LAMB: There's one more.

MS ABRAMSON: There's - - -

DR ROBSON: Oh, is there?

MS ABRAMSON: - - - Quiz Worx, yes.

MS COCHRANE: Yes.

DR ROBSON: Oh, sorry.

MS ABRAMSON: No, no.

MS COCHRANE: That changed yesterday.

MS ABRAMSON: I think he's sitting in front of us.

MR SEIBERT: Oh, okay.

DR ROBSON: Oh, okay.

MS ABRAMSON: It's – it's on the revised one.

MR SEIBERT: Yes.

DR ROBSON: Oh, okay. So I've got the old program.

MS ABRAMSON: So it's – it's on that.

DR ROBSON: Yes. Sorry.

MS ABRAMSON: Quiz Worx Incorporated.

MR N. KOECK: It's - - -

DR ROBSON: Yes. Go ahead.

MS ABRAMSON: And it's Nicholas.

DR ROBSON: Yes. Nicholas.

MR KOECK: That's right. Yes. Please call me Nick. Thanks, Cathie. I'll just grab this out.

DR ROBSON: I jumped the gun there a bit.

MS ABRAMSON: Well, I think that we should be awarding for the, you know – people have been stoic and they've come to see us at the end of the day.

DR ROBSON: Yes.

MS ABRAMSON: So thank you for – for coming today.

MR KOECK: Thank you, yes. Thank you for seeing me. Yes. My name's Nick Koeck. I'm the general manager of a group called Quiz Worx Incorporated and I'd just like to acknowledge the traditional owners of the land, the Gadigal of the Eora Nation, and pay my respects to elders past and present. I wanted to thank the Commission. I really appreciate the approach you've taken to this inquiry. I can see the diligence you've applied to coming up with a – a more straightforward, streamlined framework and I also appreciate having the opportunity to share and be heard. And I can see that you're also approaching it from that position of curiosity and wanting to see, "Okay. How will this impact others?" So thank you so much, and I do apologise for getting the submission in quite late to you on Friday - - -

MS ABRAMSON: No, no. It's all good.

MR KOECK: - - - so I hope it wasn't too late. I'll just say one or two things and then happy to share any – provide any answers to questions you may have. Quiz Worx has been around for about 25 years and we exist to share Jesus with kids everywhere and the main way we do that is performing live puppet shows in schools, and that's in partnership with people who provide religious education. So in New South Wales that's special religious education. In Queensland it's religious instruction. And over the years we've visited all the states and territories of Australia helping the local people in whatever their expression of religious education is. In Canberra they have Christian – Christian education in schools.

In South Australia it looks different. In WA, Tasmania and Northern Territory and ACT, of course. Yes. So I – I suppose I wanted to bring a perspective of what's it like for us operating. We're – we employ about 17 of us at the moment. There's – it's been up to 25 members in the last few years. COVID changed things a little bit for us, but our heart from the beginning has been to go to places outside of well-resourced Sydney where we started. We now have an office in the Gold Coast too. We've always wanted to focus our energies on going to regional and remote communities. So from the day – day 1 of working as an organisation formally which is in 2003 we've done an annual outback tour that takes us to remote schools in New South Wales and Queensland.

Last year, for example, we – we spent – of the 478 public schools that we visited in New South Wales and Queensland, about 50 per cent of those were in regional and remote communities, and that comes at a great cost not only to our – on our budget but also to our team members sacrificing time away from home as we send them out in teams of two to go on up to two week long tours to regional areas. The DGR status that we are privileged to – to have for religious education in schools provides the bulk of our – our philanthropic gifts which makes up overall more than 80 per cent of our yearly budget. And so the removal of that status for religious education would have a huge impact on Quiz Worx.

It would significantly hinder the work we can do, particularly for these areas. When we go to remote communities it's at no cost to them. In fact, none of the schools we visit – public schools – pay for these performances. It's usually the churches that are connected to those schools but when we go to these far areas, we just want to come. We want to visit, present a lesson that's in alignment with the approved curriculum for SRE or for RI in Queensland. And often at these schools it's the only religious education lesson they're getting that year, sadly. The – there's no volunteers sometimes in these areas, so for Quiz Worx to visit it is – it makes a big impact on those schools and those communities.

MS ABRAMSON: Nick, I had a – a few questions.

MR KOECK: Absolutely.

MS ABRAMSON: The first – the first one is that because you operate in different states, we've certainly heard today that the curriculum and the Education Act in New South Wales is a very important part of the ability to deliver in the schools. So what observations would you make from us from your – the fact that you operate in different states?

MR KOECK: Yes. There's – there's alignment particularly between New South Wales and Queensland, so I'd say that's the first thing. Those religious education programs operate very similarly. They use the same curriculum, largely one of two curriculums for Protestant religious education, Christian religious education. We work to align with those curriculums. I'd say the motivations of teachers are the same. They're largely volunteer groups. So while our main audience is the kids that we get to share with, our secondary audience really or, in a way, audience are the volunteers that we get to go and support. We hope to be an encouragement to them.

They're there doing the harder – I think it's a harder job week by week volunteering of their time. When we come it's just a bit of a – hopefully a shot in the arm. We hope to give them something they can bounce off in future weeks with a song and a memory verse or what have – whatever we've brought in the puppet show. And so that's been our experience. They usually really appreciate us coming. They also tend to be fairly similar in delivery, you know. About 30 minutes in most. We operate in primary schools only. And so they tend to be about 30 minutes a week at best. A lot of schools will clip that on the ends of term 1 and – and term 4 but we're very thankful that we have that opportunity.

MS ABRAMSON: And they're not your volunteers, they're volunteers provided through other services, so you're invited into the school and you do your presentation there.

MR KOECK: Correct. Yes. We're invited in by the people who work there regularly. They seek the permission of the principal and then we'll come in and present just that one lesson. Maybe we'll come back in that same year. We might visit a school twice. About 100 of the schools we visited last year we were able to visit on two occasions, so that was exciting. Yes.

DR ROBSON: And tell us – you spoke about the DGR status and the importance of it to you. Your donor base, is it – and we've asked this question of other people who have participated. Is it, you know, a lot of very small donations or is it some big donors and then, you know – how responsive do you think various donors are to that – to that tax deductibility status?

MR KOECK: Yes. We have – we're fortunate to have a broad donor base. I'd say it really varies. The – that's – we've all got our major donors that – so there's people that can give larger amounts, but there's lots of people giving much smaller amounts as well. Last year I believe we had more than 1000 individual donors and the majority of those gave probably sums of under \$1000 in the year, and then there's some that are giving larger amounts, and I'd say though – it's interesting. We do run an end of financial year appeal each year. And a huge amount of our yearly support does come in at tax time, people wanting to make the most of the tax deductibility status. So last year, yes, approximately 65 per cent of all the donations we received for the year came through that DGR schools fund.

DR ROBSON: Yes. Okay. And then as an alternative to that, you know, one alternative would be a government grant. You know, do you think that would be feasible? How would it – how would it work or – or would you then – or would an alternative for you to be seek – to seek specific listing or – or what would be the – the counterfactual - - -

MR KOECK: Yes.

DR ROBSON: - - - if DGR was – was removed, do you think, or you just wouldn't operate?

MR KOECK: It's – it's a very good question, Alex.

DR ROBSON: Yes.

MR KOECK: It's hard to imagine exactly what it would look like. We've not received any government funding except - - -

DR ROBSON: Yes.

MR KOECK: - - - during COVID years with JobKeeper.

DR ROBSON: Yes.

MR KOECK: But for all that time, we're not – this is, sort of, the only support in that way, indirect giving the government provides.

DR ROBSON: Yes.

MR KOECK: I do – I did note in the report that there was a reference to Mission Australia's point I thought was quite important for us too, that philanthropy allows for innovation, and I do think being a creative organisation we appreciate the ability to go wherever there is a – a need or a call to go and to be innovative in the way that we present and so the way that we're supported through the DGR status and through all our donor allows us to ignore the size of the school, ignore their ability to pay, and we can go. And, for example, I'll just give – share one quote, if you don't mind. This is just from a – a principal out in a – a little public school called Louth Public School. It's about 100 kilometres south-west of Bourke and we visited in 2022 and he – this is the – from the principal:

We absolutely loved having Quiz Worx visit our little school. Chrissy, Ally and Phil were amazing and interacted with the students. The show was amazing with a great message. We can't wait until the next visit. Thank you for visiting Louth Public School.

So it's important for us as well to – once we visit to – we're committed over the long term. We've been to that school a number of years. In fact, this year they've doubled in six from three students to six, and so small schools, but I think the DGR status really allows us to be innovative, to go where the needs are, to not be limited by any given grant. Even the – some of the funding we get comes from foundations and every now and then those have had specific, "This is for this purpose", and in small amounts we can make it work. But for most gifts we'd prefer to have freedom because it just allows us to achieve our mission more closely.

DR ROBSON: Yes. I was going to ask you about the tied and untied donations that you get, and when it is tied is it – like, is it contractual or it's more just – how does that work and – and I think you said you prefer the – the untied for – for – for obvious reasons - - -

MR KOECK: Definitely.

DR ROBSON: - - - but – yes. When it is – when there is this expectation – and I mean one of the things we're interested in more generally in the report is then how do you demonstrate the impact and effectiveness and – and – and delay? You know, how do large donors, you know, try to – for want of a better word – control it and influence that in – in what you do?

MR KOECK: Right.

DR ROBSON: Yes.

MR KOECK: Yes. It's – it's – it's rare for us. So we – most of our giving is untied, which is fantastic. We're already tied through the DGR to - - -

DR ROBSON: Yes.

MR KOECK: - - - be making sure that's for public schools.

DR ROBSON: Yes.

MR KOECK: But that's our focus anyway, so we always spend more of our time in public schools than anywhere else. In the occasions – I'm thinking back. It's a few years back now where it was tied to something, it was specifically tied to that front facing performer in the school, which is fantastic. We wanted to employ some more people to do that for us. Where it was challenging was, as you would know, any organisation needs a – a well-funded backend, and we have a number of people employed to coordinate our bookings, to do donor administration, bookkeeping, etcetera. So those funds couldn't be used for that, and that was fine because we had the majority of other funding that could support that.

But, yes, I think ideally untied allows us to move where we feel we'll get the best bang for our buck. We're best placed at that time. It allowed us to launch this office in the Gold Coast in 2018, which if it was a state based or, you know, geographical tied grant, you'd go, "Oh, okay. Well, we can't actually do that because we need to – that's only for this area".

DR ROBSON: Thank you. Anything else or - - -

MS ABRAMSON: I just had one question which is a curiosity question, to be honest.

MR KOECK: Please, yes.

MS ABRAMSON: Where did you get the idea to use puppets? Was it a program overseas somewhere or is it an Australian based initiative?

MR KOECK: Yes. Oh, great question. So the two guys that started Quiz Worx, their names are Matt and Simon. They were my youth group leaders at my church.

MS ABRAMSON: Yes.

MR KOECK: So this is how – I've known them since - - -

MS ABRAMSON: Yes.

MR KOECK: - - - it started. And they had seen some puppets done by an Australian organisation called Log-a-store who were using big puppets at big events.

MS ABRAMSON: Yes.

MR KOECK: And I think it – Matt was not sold when he first was given a puppet, and he went along to one of these days. They were just saying, “Hey, we’ll come – we’ll show you how to use puppets”. And immediately he just fell in love with it and, Julie, you’ll see if you – if you’ve ever tried using a puppet, even if it’s bad, kids love it. It is an absolutely brilliant way of engaging kids. I’m not a puppeteer myself but I’ve seen it over and over again where a puppet comes up and - - -

MS ABRAMSON: Yes.

MR KOECK: - - - every eye in that room is on the puppet and in our shows we use the puppets to take the perspective of the kids. So they’re asking the silly questions. There’s no silly questions but they’re - - -

MS ABRAMSON: Yes, yes.

MR KOECK: - - - asking the questions that kids might have. They’re pushing back on the upfront person who’s saying – sharing one thing from the Bible and saying, “Well, that doesn’t make sense. How can I – how does that work?” and really playing that perspective and then that gives opportunities for us to engage the students, encourage them to explore, find out the answers for themselves from the Bible.

MS ABRAMSON: Because that feels safe, interacting. Yes.

MR KOECK: Absolutely.

MS ABRAMSON: That’s really interesting. Thank you.

MR KOECK: Yes. It’s really fun. You’re all welcome along to any of our shows this year. Come and - - -

MS ABRAMSON: I’d be quite interested in the puppet idea.

MR KOECK: Yes, yes. Please do.

MS ABRAMSON: No, no. That – that’s - - -

MR SEIBERT: We should do – we should do that for hearings, you know.

MS ABRAMSON: Oh, I know. That’s what I was thinking. No. Thank you. That’s been really interesting.

MR KOECK: Pleasure.

MS ABRAMSON: And thank you for coming late in the day - - -

MR KOECK: Yes.

MS ABRAMSON: - - - to speak with us.

MR SEIBERT: Yes. I appreciate it.

DR ROBSON: Thank you,

MR KOECK: I appreciate you hearing me late in the day. It must be hard getting at the end of the day, yes.

MS ABRAMSON: Oh, no. It's interesting.

MR KOECK: No. Thank you so much.

MS ABRAMSON: Thank you.

DR ROBSON: Thanks very much.

MS ABRAMSON: Thanks. And thanks for your submission.

MR KOECK: Thank you again, guys.

DR ROBSON: So I'll just – if – if there's anyone else who wants to speak, give that opportunity. No.

MS COCHRANE: Oh, I just wanted to clarify - - -

DR ROBSON: Yes.

MS COCHRANE: - - - the – sorry, sorry.

DR ROBSON: You – you need to go to the mic if you've – yes.

MS COCHRANE: Yes. It's Cathie Cochrane back again for Three16. Just to clarify that all of the programs that we do are educational, not missional, that was said by other people. And the other thing is Three16 Shoalhaven is not a provider – not an approved provider. It is an employer and our teachers are authorised by their denominations.

DR ROBSON: Right.

MS COCHRANE: So at one point we had a couple of Baptists and a – another – and another, you know – I think there were up to four different denominations so we have to make sure that they are all authorised by their own authorised provider.

DR ROBSON: Okay.

MS ABRAMSON: Yes. Thank you.

MS COCHRANE: Good.

DR ROBSON: Thank you for clarifying.

MS ABRAMSON: Thank you. Thank you very much.

DR ROBSON: Yes. Okay. So we'll formally close these hearings now and thank you to everyone who's participated, and, yes, that's it for today. Thank you very much.

MR SEIBERT: Thank you.

MS ABRAMSON: Thanks, Team.

DR ROBSON: Thank you.

MATTER ADJOURNED at 4.23 pm INDEFINITELY