

From: [Michael Walker](#)
To: [Charities Consultation](#); [Admin @ SHF](#); [Jennifer Bott](#); [Nicole Smith - Chair SHC Foundation](#)
Subject: DGR Reform for Community Foundations
Date: Friday, 14 July 2023 8:05:42 AM

To The Treasurer

The Proposed Reforms

1. Community foundations are seeking to simplify their structures and the red tape, compliance and administrative costs and burdens and so urge the government not to *require* community foundations to have to establish a new trust or company.

As community foundations will not be able to convert their public ancillary funds to be a community charity fund (CCF) nor distribute the funds to the corporate trustee (due to the wording in the PuAF trust deeds and PuAF Guidelines), most community foundations will want to be able to distribute the funds in their public ancillary funds to a CCF in an existing charitable trust and get rid of one of the entities in their existing complicated structures.

The current wording of the proposed Bill does not allow the CCF to sit within a trust with broader charitable purposes and we strongly request this is possible in the same way the proposed Bill allows a CCF to sit within a corporate entity. This will reduce red tape by not requiring new trusts to be established.

2. The Bill does not seem to allow distributions to non-DGRs for DGR purposes or activities and this is an essential part of the application to the government to facilitate the role of community philanthropy, particularly relevant in rural and regional areas, but applicable everywhere. Could the Bill and Explanatory memorandum be amended to make this clear?

The way in which "principal purpose of a DGR category" will be interpreted when there are other requirements for the DGR category.

Community foundations are often the first organisation on the ground when a disaster occurs. We would appreciate further clarification about the way in which "principal purpose of a DGR category" will be interpreted when there are other requirements for the DGR category. In this example, would community foundations still need to wait for a disaster to be declared to receive tax deductible donations for disaster relief purposes? Another example are scholarships which community foundations often get approached to fund. Would any scholarship be able to be funded from tax deductible donations as the principal purpose or only those which still meet the DGR scholarship fund requirements?

On behalf of the Southern Highlands Community Foundation, I earnestly request your consideration of the proposed reforms.

Yours sincerely
Mike Walker
Treasurer