

## **Australian Schools Plus – Response to DGR Reform Opportunities Paper**

### **Introduction to Australian Schools Plus (‘Schools Plus’)**

Schools Plus is a national charity that connects donors with schools in disadvantaged communities to support projects that improve the education outcomes of their students.

We help close the education gap by making it simple, effective and tax-deductible to give to schools. Schools Plus channels funds to projects which really make a difference – whether it be support for student wellbeing, effective teaching, both student and family engagement, as well as STEM (science, technology, engineering and maths) initiatives.

Schools Plus was established in 2013. A significant catalyst in our creation was a recommendation in the 2011 Review of Funding for Schooling (the ‘Gonski Review’). The recommendation stated, “the Australian Government should create a fund to provide national leadership in philanthropy in schooling, and to support schools in need of assistance to develop philanthropic partnerships”. Our unique Deductible Gift Recipient (DGR1) status (specific listing) makes it tax-deductible to give to more than 4,600 disadvantaged schools (government, Catholic and Independent) across Australia. School eligibility is determined using the national Index of Community Socio-Educational Advantage.

### **Responses to Relevant Questions**

The response to the relevant questions below is in relation to Schools Plus’ role as the primary mechanism for giving to disadvantaged schools across Australia. We also raise some minor concerns on behalf of schools. Schools Plus is a public fund and has specific listing.

**Question 2: Are there likely to be DGRs (other than government entity DGRs) that could not meet this requirement and, if so, why?**

There will be a need to carefully consider the rules for non-government school building funds and library funds with DGR status (e.g. Catholic schools, disadvantaged independent schools). These public funds are established as a fund separate to the school and many of these schools would not be able to cope with the additional bureaucracy of needing to become a charity.

**Question 8: What are stakeholders’ views on the proposal to remove the public fund requirements for charities and allow organisations to be endorsed in multiple DGR categories? Are regulatory compliance savings likely to arise for charities who are also DGRs?**

It is unclear from the paper if this would apply to specifically listed charities as well as those on the four registers, however, it would seem to be a positive step. If this applied to the specifically listed organisations too, then there would be no need for the five year review of those organisations.

Schools Plus has spent considerable time with lawyers (although this was pro bono support, it would have been costly if we were paying the full fees) to both establish and ensure compliance with being a public fund, including needing to seek guidance about who would be a responsible person which was unclear from the ATO website.

Question 9: What are stakeholders' views on the introduction of a formal rolling review program and the proposals to require DGRs to make annual certifications? Are there other approaches that could be considered?

This would need to be very simple, at no cost and be drawn from information which already exists within an organisation – for example, signing a declaration as part of the AIS.

Question 11: What are stakeholders' views on the idea of having a general sunset rule of five years for specifically listed DGRs? What about existing listings, should they be reviewed at least once every five years to ensure they continue to meet the 'exceptional circumstances' policy requirement for listing?

Although Schools Plus had bi-partisan support, verbal agreement and an uncontested application for specific listing, it still took nearly two years for its DGR status to be passed through Parliament. Letters were written to the Prime Minister, Treasurer and Minister for Education to try to expedite the process. We would strongly recommend not having a reapplication process because it would completely jeopardise an organisation's ability to operate. If the specifically listed entities had to submit an annual statement confirming the alignment of their purpose with their DGR as is proposed for all the other organisations, there would be no need for organisations such as Schools Plus to spend significant time and money reapplying for DGR status.

There is a danger that this becomes a way for the Government of the day to 'claw back' funds if an organisation is considered 'too successful' (i.e. successfully attracting donors who claim a tax deduction). On average, 93% of donations made through Schools Plus are directly invested as funding into disadvantaged Australian schools. Although the Reform paper states that the Government is generous in its tax concessions, certainly in the case of Schools Plus, it is also important to acknowledge that there is a far more significant benefit to the Government by having an entity which attracts philanthropic funding into the school system.

This paper has been prepared by Rosemary Conn, CEO, Schools Plus. Please do not hesitate to contact Schools Plus, should there be any questions relating to the responses above.

**Contact:**

Rosemary Conn

[rconn@schoolsplus.org.au](mailto:rconn@schoolsplus.org.au)



Schools Plus

Level 1

204 Clarence Street

Sydney

NSW 2000