

Date: Friday July 14, 2023
To: Australian Government – The Treasury
Subject: DGR reform for Community Foundations
Email: charitiesconsultation@treasury.gov.au

To whom it may concern

As the Executive Officer of the Fremantle Foundation and on behalf of our Board, the Fremantle Foundation seeks amendments to the Bill for DGR Reform for Community Foundations.

The Fremantle Foundation has been helping support and strengthen the Fremantle and broader WA community for since 2010.

By working with our donors and supporters, we are delivering grants to organisations meeting vital community needs every month and building a community endowment that will provide grants to local and grassroots charities to help tackle the future needs of our community. We provide leadership on key community issues and help individuals, families, businesses and groups to establish charitable funds to support causes they care about.

As a community-owned philanthropic organisation we operate as a registered charity and public ancillary fund bringing together the financial resources of individuals, families, and businesses to support effective not-for-profit organisations dedicated to improving the lives of people in our community. We act as changemakers, gathering knowledge around critical issues and pooling resources to make change happen in our Fremantle community and beyond.

We urge the government to consider the following recommendations regarding DGR Reform for Community Foundations:


1. We require the legislation not to require community foundations, like the Fremantle Foundation, to have to establish a new trust or company. As a small and proactive community foundation that delivered \$1m in grants to the community last financial year, our administration load is already stretched. This will create a significant negative impact on the capacity on our small team and hard-working Board to deliver more outcomes to the community. We recommend simplifying structures and red tape, compliance and administrative costs and burdens rather than adding more impost for no outcome.

2. We are also concerned that 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.
3. 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.
4. In addition to this, 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 across Western Australia, but applicable everywhere.

We would recommend that the Bill and Explanatory memorandum be amended to make this clear, as there should be clarity that community foundations can engage in grant making to non-DGRs for DGR purposes.

Thank you for your time and consideration of our proposed recommendations.

Kind regards



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