



Peter McCabe
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11th July 2023

The Australian Government
Treasury Submission
charitiesconsultation@treasury.gov.au

CC: Andrew Leigh MP, Andrew.Leigh.MP@aph.gov.au

CC. Helen Haines MP, Helen.Haines.MP@aph.gov.au

To Whom It May Concern,

RE: DGR1 Status for Community Foundations (CFs)

I write this submission as the Executive Officer and on behalf of the Board of Into Our Hands Community Foundation, a local community philanthropic structure and grant maker supporting north east Victoria to resource community development, resilience and recovery projects since 2012.

We are one of the 36 Community Foundations which are currently operating in Australia. CFs are not-for-profit or community-run organisations set up to support and enable local philanthropy.

We would like to raise 2 points in relation to the draft bill to ensure it enables CF's to adequately support their communities:

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.

We strongly request that the Bill and Explanatory memorandum be amended to make this clear.

Regards

A handwritten signature in black ink, appearing to read 'Peter McCabe', with a stylized flourish at the end.

Peter McCabe
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Into Our Hands Community Foundation
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