

Personal and Indirect Tax and Charities Division
Treasury
Langton Cres
Parkes ACT 2600
Email: charitiesconsultation@treasury.gov.au

12 July, 2023

Dear Treasury,

Re: Building Community – deductible gift recipient status for community foundations

We write to you on behalf of the Sydney Community Foundation, which is dedicated to enhancing the lives of individuals and communities through strategic philanthropic initiatives. We commend the government's efforts to facilitate a more efficient and effective framework for community foundations in Australia. However, we wish to express our concerns regarding certain aspects of the proposed Bill, which we believe may hinder our ability to fulfill our mission.

Please see below the two main points that we believe require further clarification:

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.

2. 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.

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?

**Sydney Community Foundation
Patron**

The Hon. Margaret Beazley AO KC
Governor of New South Wales

**Sydney Community Foundation
Directors**

Sophie McCarthy, Chair
Georgina Byron AM, Deputy Chair
Elizabeth O'Brien
Lisa Chung AM
Juliana Nkrumah AM
Melanie Kansil
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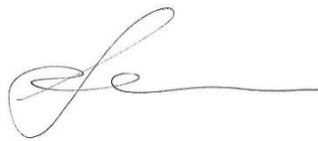
We greatly appreciate your consideration of our concerns and suggestions, as we believe that collaboration between the government and community foundations is crucial in fostering a more effective philanthropic landscape. We remain committed to working together to develop a framework that simplifies administrative processes, reduces unnecessary costs, and ultimately enables community foundations to better serve the needs of our communities.

Thank you for your attention to this matter. We look forward to the opportunity for further dialogue and collaboration.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'SMcCarthy'.

Sophie McCarthy
Chair

A handwritten signature in black ink, appearing to read 'Loredana Fyffe'.

Loredana Fyffe
Chief Executive Officer