



Border Trust

486 Olive Street, Albury NSW
2640
02 6081 7201 or 0485 858 185
mail@bordertrust.org.au
bordertrust.org.au

Community Foundation for
Albury Wodonga Region (t/as
Border Trust)

ABN 34 111 519 012 Trustee
and
ABN 11 064 494 169 DGR Trust

Trustee for Towong Community
Bushfire Disaster Relief Fund

ABN 64 221 473 179

30 November 2024

Not-for-profits unit
Treasury
Langton Crescent
PARKES ACT 2600

Submission via email to: charitiesconsultation@treasury.gov.au
Community Charities Guidelines 2024

Consultation 2 November 2024 – 2 December 2024
Exposure Draft guidelines, DGR Reform

Submission from:

The Community Foundation for Albury Wodonga Region t/a Border Trust
Sue Gold, Executive Officer

Dear Sir/Madam,

I write regarding the draft guidelines for the Community Charity DGR reform, following legislation passed by the Commonwealth in June 2024. I wish to thank Treasury for this opportunity to provide feedback.

Border Trust is a local, independent philanthropic organisation that activates the power of giving. Since it was established in November 2004, Border Trust has been the local, place-based catalyst of positive change, distributing over \$5 million via 360+ life-changing programs and 12,000+ Back to School Vouchers to local community groups and not-for-profit organisations.

Our region includes six local Government areas across the Victorian and NSW border - Albury, Federation, Indigo, Greater Hume, Towong and Wodonga. Each LGA is frequently impacted by natural disasters.

Border Trust takes the time to understand local needs and to measure the impact that we, with our donors and grant recipients, make across our region.

Border Trust is a trust with DGR 2 status and is managed by our corporate trustee, a company limited by guarantee. The trustee also manages our Towong Community Bushfire Disaster Relief Fund which holds DRG 1 status.

As you will know, Community Foundations Australia has represented our community foundation network as these reforms proceed. We are grateful for and fully support the issues and recommendations they have put forward.

We believe these reforms will be of significant advantage to the community foundation network, our organisation and the communities we serve. We also appreciate the importance of implementing guidelines that serve our sector well and a simplified structure and operating environment is welcome. Though in principle, the guidelines are a positive start, there remain areas for improvement.

Our specific concerns are:

1. Donor relationships are essential to our securing of funds for enablement, grant-making and the growth of a perpetual fund. Donors value a close relationship with us and the opportunity to recommend grant recipients. Also, being able to see the direct benefits of their gift is a unique attribute of community foundations and an essential element of our success. We ask that the guidelines reflect the importance of this relationship.
2. As the number of community foundations grows, the value of funds under investment as the legislation takes effect, will also grow. Enabling community foundations to donate from their fund accounts to accounts held by other community foundations/Community Charities – for example in cases of natural disaster or other common causes of distress or disadvantage – could mobilise significant assistance for communities. This is a critical need for Border Trust. As a recipient of donations via our own and government donation accounts and the planned delivery of region-wide scalable projects, the ability to disburse funds to other community foundations would significantly enhance local, contextualised community support.
3. An important benefit to us would be the ability to make grants, within DGR and charitable purposes, to local non-DGR entities. The majority of our recipients do not hold DGR 1 status yet deliver a significant number of charitable services. A requirement to retain an account with FRRR to facilitate grant-making to non-DGR entities would impose a continued onerous and expensive outcome for Border Trust. There is no value in continuing an administrative burden and loss of 2.5% of grant value when our organisation provides the rigour, governance and oversight required to disburse and acquit funds in a compliant, appropriate and timely manner.
4. Community foundations typically disburse more than the minimum 4% distribution and operate with low overheads. Understandable concerns on ensuring minimum distribution within Community Charities should be met within guidelines, particularly around clarifying how the new structure will regard non-cash assets and recognition of administration costs.

We also ask that Treasury consider applying the minimum distribution amount to our invested funds only and exclude activities, as of 30 June.

As we are frequently called upon to disburse funds into our community following natural disasters, we would ask that an account specifically established to raise funds for disaster response and recovery be exempt from the minimum distribution amount, noting that these funds will be mobilised in response to a critical need in the community. At this time, an accumulative disbursement exceeding a 4% minimum will be achieved.

5. We are seeing an increased demand for Border Trust to fundraise and issue Scholarships to individuals, particularly to support the educational needs of our young people. We look to the DGR reform to make it easier to raise and disburse funds for this purpose.
6. Clear pathways for the transition to Community Charity status would be valuable. We, as do most community foundations, operate with a small number of part-time staff (currently 2.6 FTE), a volunteer Board, and pro bono professional assistance when possible. Onerous or complex transition requirements will significantly delay or even prevent our transition. A model trust deed or constitution would be helpful.

Examples of our community impact told via digital stories are available here [Grant Recipient Stories – Border Trust](#)

We would like to experience a simpler way to give to our rural and regional communities. We hope that the Treasury will amend the guidelines to enable this aspiration.

Kind regards,



Sue Gold
Executive Officer, Border Trust