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To whom it may concern,

Re : Charitable status for Community Foundations

Thank you for the opportunity to endorse the submission made on behalf of and by Community Foundations across Australia. For the purposes being united in our submissions we are duplicating some sections of the submission presented by Community Foundations Australia,

The Community Foundation for Tumut Region (CFTR) has firsthand experience in dealing with disasters, the 2010 and 2012 floods and to a massive extent the devastating fires of 2019/20 impacted the area which we serve the Snowy Valleys and directly affected so many residents, residents through an appeal the foundation created we were able to and continuing to assist.

CFTR was able to implement a tax deductible appeal with the assistance of the Foundation for Rural and Regional Renewal without this special concession. (first implement by CFTR and FRRR some years ago) it would not have been possible to raise the funds and distribute to those in immediate need which became an excellent project where a local volunteer organisation was assisting locals across the entire Snowy Valleys region.

To be able to act immediately in a similar manner when the next critical need arises without the impediment of considerable "paperwork" and constricting charitable status would be of enormous benefit for all concerned when the time of both volunteers and staff time can be far better utilised in as the paragraphs below indicate when the disaster can often affect the helpers helping.

- *Community foundations are often the first organisation on the ground when a disaster occurs. We would appreciate further clarification about the way in which principal purpose of a DGR category will be interpreted when there are other requirements for the DGR category. In this example, would community foundations still need to wait for a disaster to be declared to receive tax deductible donations for disaster relief purposes?*
- *Another example are scholarships which community foundations often get approached to fund. Would any scholarship be able to be funded from tax deductible donations as the principal purpose or only those which still meet the DGR scholarship fund requirements?*

Other issues relating to charitable trusts, ancillary funds which the Community Foundation for Tumut Region endorses.

1. CFs should be able to operate community charity funds within an existing charitable trust (so they don't need to establish a new trust for these purposes)
2. There should be clarity that community foundations can engage in grant making to non-DGRs for DGR purposes.
3. 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.
4. 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.
5. 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.
6. 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?

We trust you will consider all submissions in a positive way to assist all Community Foundations serve all their communities in far more efficient manner to enable all **to make a difference where we live.**

Yours sincerely



Louise Halsey CF PHF chairman