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## PHILANTHROPY INQUIRY FINAL REPORT A BITTER BLOW FOR FAMILIES, SCHOOLS AND COMMUNITIES

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Independent Schools Australia (ISA) today expressed grave concerns that the Productivity Commission's *Future Foundations for Giving Inquiry Report* has recommended that activities related to early childhood education and care, and primary and secondary education should be excluded from Deductible Gift Recipient (DGR) status.

The Productivity Commission's draft *Future Foundations for Giving* report prompted 1,291 submissions. Of these submissions, 917 (71%) concerned the contentious recommendation to remove Deductible Gift Recipient (DGR) status for education related activities including scholarships and School Building Funds, with the vast majority arguing against the Commission's proposal.

Those submissions included 817 submissions from individuals including parents, grandparents, alumni, teachers and community members on the DGR status for schools. Of these, 801 described significant detrimental impacts if there was a removal of DGR status for education activities.

ISA Chief Executive Officer Graham Catt said, "It is extremely disappointing that after asking for feedback, the Commission has ignored the hundreds of schools and parents who provided input, and recommended a tax change that would punish thousands of families and their school communities."

"Schools rely on communities and parents to fund the building of classrooms and provision of scholarships" said Mr Catt. "Over 140 schools and many representative bodies provided examples of the significant detrimental impact this would have."

Submissions also refuted the flawed arguments put forward by the Productivity Commission to support the recommendation, particularly the perceived risk that donors to school building funds could derive a private benefit from a tax-deductible donation.

"We still have not seen any real evidence to support the Commission's views" said Mr Catt.

Independent Schools Australia and twelve other representative bodies made submissions, including Independent Schools Australia, Independent Schools Victoria, the Association of Independent Schools of South Australia and the Association of Independent Schools of New South Wales.

The Federal Government has said it would not support the Productivity Commission's recommendation to remove deductible gift recipient (DGR) status from school education, noting it was "not something the government is considering."

"These families and their schools need the Government to reaffirm this and categorically rule this out, so we can work together to expand the role of philanthropy in education through sensible policy."

Two-thirds of Independent schools, which educate one in six Australian students, receive no government funding for capital expenditure. These schools, most of which charge annual fees less than \$5,500, need to expand to meet a growing number of students. Nationally parents and communities contribute around 86%, \$1.23 billion, of the funding for buildings and capital works.

"More and more Australian parents are opting for Independent schools for their children," stated Mr Catt. "Even if the government doesn't fund their facilities, good policy should support the community, alumni, and parents who cover these costs."

ISA is the national peak body representing 1,216 Independent schools with close to 720,000 enrolled students, accounting for approximately 17 per cent of Australian school enrolments and a workforce of 122,000 people. Independent schools are diverse, serving a range of different communities across Australia.

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