

9 June 2020

Aleshia Westgate  
Inquiry Secretary  
Select Committee on Regional Australia  
PO Box 6021  
Parliament House  
Canberra ACT 2600

via email to: [Aleshia.Westgate.Reps@aph.gov.au](mailto:Aleshia.Westgate.Reps@aph.gov.au)

Dear Aleshia,

Australian Community Philanthropy (ACP) is delighted that the Select Committee on Regional Australia has accepted our submission of last November and that we have been invited to a telephone conversation with the Committee.

We look forward to attending a hearing of the Select Committee's inquiry into Regional Australia on 11 June, together with some of our Community Foundation colleagues representing ACP member foundations from regional communities. In addition to the undersigned representing ACP and our member network as a whole, the following Community Foundation leaders will attend the hearing this week to respond to the Committee's questions and to share their experiences:

- Ms Glenys Atkins, Executive Officer, Border Trust – the Community Foundation for Albury Wodonga Region (NSW)
- Mr Bill DeGaris, Chair, Stand Like Stone Foundation, Limestone Coast Region (SA)
- Ms Sally Gamble, Chair, Tomorrow Today Foundation, Benalla (Vic)
- Ms Georgie Somerset, Chair, Red Earth Community Foundation, South Burnett (Qld)

Thank you also for letting us provide herewith an updated document for the Committee's consideration.

Our original submission of November 2019 predated last summer's extraordinary bushfire season and the current COVID-19 pandemic. Our supplementary submission and relevant case studies attached herewith illustrate how these disasters have brought into sharp focus the hurdles the current regulatory framework creates for Community Foundations particularly in regional Australia as they try to respond and support their local communities in emergency situations.

May I take this opportunity to make you and the Committee aware that ACP has recently been invited to provide information on the DGR regulatory constraints impacting Community Foundations to the National Coronavirus Coordinating Commission's (NCCC) Charity, Philanthropy and Fundraising Advisory Group for consideration.

We appreciate that the Select Committee's Inquiry into Regional Australia has a broad remit and is not primarily concerned about regulation of the charity sector.

It is our contention that Community Foundations are a vital part of the social fabric and infrastructure of regional communities. The complexity of the current DGR regulatory framework creates barriers for the establishment of new Community Foundations and impedes existing Foundations from contributing in an optimal way to local community development.

Providing DGR1 endorsement for Community Foundations would be a simple, quick and low-cost government intervention to create a more enabling environment for thriving regional community philanthropy. This would add to the ecosystem that encourages local leadership, self-sufficiency and sustainability in regional communities.

We note with interest that one of ACP's member foundations, Foundation Broken Hill, is expecting to achieve DGR1 endorsement shortly through a Special Listing, suggesting that the policy and administrative challenges of community foundations being DGR1 endorsed are not insurmountable.

We look forward to discussing these matters with the Select Committee at the forthcoming hearing.

Sincerely,



Ben Rodgers  
Chair



Gerlinde Scholz  
Executive Officer

## SUPPLEMENTARY SUBMISSION TO THE PARLIAMENTARY SELECT COMMITTEE INQUIRY INTO REGIONAL AUSTRALIA

### About this supplementary submission

---

This submission provides additional and updated information following on from a submission made by Australian Community Philanthropy on behalf of Australia's 40 Community Foundations in November 2019.

Between December 2019 and February / March 2020, parts of Australia experienced the most severe bushfire season ever recorded. This was quickly followed by travel restrictions and the shut-down of the economy from March onwards due to the COVID-19 pandemic.

While the pandemic and the socio-economic fallout of the shut-down of the economy has affected all Australians, natural disasters from droughts to fires and floods disproportionately affect regional communities.

The following Community Foundations operate in communities that were directly affected by fires over the past summer:

- Border Trust, the Community Foundation for the Albury-Wodonga Region
- Into Our Hands Community Foundation in the Victorian Alpine Shire
- Upper Murray Innovation Foundation in Corryong, Vic
- Community Foundation for Tumut Region, NSW (*case studies attached*)
- Mumbulla Foundation in Bega, NSW
- Southern Highlands Foundation in Bowral, NSW
- Northern Rivers Community Foundation in Ballina, NSW (*case studies attached*)
- Stand Like Stone Foundation in South Australia (*case studies attached*).

### Community Foundations and disaster response

---

Historically, natural disasters have been the main driver of growth in philanthropic giving in Australia.<sup>1</sup>

Natural disasters impact regional communities more than metropolitan areas and have also provided significant impetus for the growth of the Community Foundation sector in Australia. Half of Australia's Community Foundations were established with assistance from philanthropy and governments in response to disasters such as the Millenium drought or the 2009 Victorian Black Saturday bushfires.

Community Foundation leaders are locals; they live and work in the place that has been affected by a disaster. They understand first-hand the community's priority needs and those that emerge over time for rebuilding

---

<sup>1</sup> McLeod, J.: *Where to from here? The outlook for philanthropy during COVID-19*. JB Were, April 2020, p.2

physical, economic and social infrastructure, or mental health support, for instance. And they are there for the long haul; Community Foundations will continue to be part of and work in their communities long after the media, politicians and major charities have moved on.

Through deep local knowledge and networks, Community Foundations are ideal partners for large national charities that receive the bulk of public donations in response to a disaster or emergency and then regularly get criticised for taking too long and being too bureaucratic in distributing donations to people in need. Under the current regulatory regime, Community Foundations are not able to partner effectively with philanthropy and the charity sector in distributing financial assistance to local communities in the context of emergencies.

After the bushfires, the coronavirus pandemic took hold around the world and commanded political, public and media attention. In its wake, the bushfire emergency all but disappeared from public view and consciousness.

The social and economic crisis precipitated by the shut-down measures in response to the pandemic is affecting all of Australia. The Community Foundation sector's response to the COVID-19 continues to evolve. Some foundations are conducting special appeals for COVID-19 relief funding, others have started distributing grants from their invested corpus to ensure a quick response. All Community Foundations are working hard to assess local priority needs, adjusting granting and reporting requirements and time lines to reduce pressure on grantees, and respond with funding and social support as best they can while observing physical distancing and other public health requirements.

## International perspectives

---

We note that the Select Committee inquiry's Terms of Reference include

- i. Examining international examples of nations who have vast and productive regional areas, which are sparsely populated;

International perspectives on how Community foundations work elsewhere are instructive. Canada, a country with many parallel features to Australia, is internationally recognised as having the most successful community foundation ecosystem anywhere in the world.

Canada has approximately 1.5 times the population of Australia and a similar population density, yet sustains 191 Community Foundations, almost five times the number in Australia. The distribution of Community Foundations across Canada ensures that practically all Canadians, no matter where they live, have access to funding and community leadership from a local foundation in the place they call home. This includes First Nations people living in remote parts of the country.

The community foundation sector in Canada has grown significantly since the 1990s when the sector peak organisation [Community Foundations of Canada](#) (CFC) was first established. CFC is a highly effective network organisation that works closely with government at all levels and business to champion Community Foundations and mobilise public and private resources to partner with this network of place-based community organisations. It is an interesting model of government and community philanthropy working together towards a shared goal of supporting the development of regional communities and the social inclusion of the people who live outside the capital cities.

The UK experience provides a case study of effective collaboration between government, philanthropy and community foundations in harnessing a national COVID-19 response to channel resources to local communities.

The UK National Emergencies Trust launched a public COVID-19 emergency appeal with the Red Cross handling incoming donations and peak body UK Community Foundations (UKCF) acting as the 'distribution network' for funds received. The appeal raised GBP17.5 million in its first month. More than GBP8 million (47%) of this was distributed by the end of that month through community foundations to over 2,500 local charities around the country.<sup>2</sup> That is an extraordinarily rapid response that most charities in most countries would find challenging to replicate.

Through its quality assurance system for Community Foundations, the peak body UKCF was able to provide public assurance that donations would be distributed through a network of place-based foundations that have good governance frameworks in place. The Foundations on the ground could in turn quickly and effectively identify and distribute to *bona fide* recipient organisations at the local level.

An international observer from the European Community Foundation Initiative has commented that

“The Coronavirus crisis is ... realising [community foundations'] potential to mobilise resources and reach people in need quickly...”<sup>3</sup>

Regrettably, in the context of Australia's regulatory framework, Community Foundations are not enabled to mobilise resources as effectively nor reach people in need as quickly as would be desirable, since under their current DGR2 endorsement, Community Foundations are

1. Unable to accept funds from other DGR2 Ancillary Funds, including Private Ancillary Funds, and
2. Only able to distribute funding to DGR1 endorsed charities.

## Proposed DGR1 endorsement for Community Foundations

---

Enabling Community Foundations to access DGR1 endorsement will address both these challenges. It will allow ACP's member Foundations to contribute more support more effectively to local communities and strengthen their ability to help vulnerable people in times of crisis. For people living in places that have been dealing with drought, fires and flood before the pandemic, this is of heightened importance.

### Impact of DGR1

Extending DGR1 endorsement to Community Foundations will

- ✓ reduce red tape on the fund distribution side, significantly improving Community Foundations' agility and turn-around times in responding to local community need, especially important in times of crisis such as COVID-19 or natural disasters; this is cost neutral for Treasury;
- ✓ enable Community Foundations to partner in new ways with philanthropy and large national charities to contribute deep local knowledge and networks to the process of connecting philanthropic resources to local community priorities. This de-risks giving for the general public and other funders and increases

---

<sup>2</sup> <https://www.ukcommunityfoundations.org/news-article/the-net-appeal-one-month-in>

<sup>3</sup> 'A pivotal moment for community foundations', J. Magowan, <https://www.alliancemagazine.org/blog/a-pivotal-moment-for-community-foundations/>

effectiveness of emergency relief and recovery support reaching local communities where and when it is most needed. This is also a cost-neutral outcome;

- ✓ unlock additional flow of contributions to Community Foundations from other DGR2 entities (Public or Private Ancillary Funds), ie. funds that have already received tax concessions; this will be cost neutral for Treasury;
- ✓ Australia's 40 Community Foundations represent a small part of the philanthropic sector. Under their existing DGR2 endorsement, they already offer their donors tax deductibility for gifts. It is unlikely that a change to DGR1 endorsement will create growth in individual giving to Community Foundations of a magnitude that would have a material impact on tax revenue.

### Administrative arrangements

ACP member Foundations would readily agree to a special DGR1 category for Community Foundations that includes provision that

- a) funds from Community Foundations can only be distributed to support activities that are deemed charitable and fall within the range of activities covered by the existing set of categories for DGR1s; and
- b) Community Foundations will be responsible for self-assessment and compliance reporting on this aspect of their work to the ACNC.

ACP as the sector peak body will work closely with its members and with the regulator as required to develop an appropriate self-assessment, compliance and reporting framework.

### Closing comments

We acknowledge that the Assistant Minister for Charities has recently highlighted the availability of DGR1 endorsement for Australian Disaster Relief Funds (ADRF). Some of our member foundations are accessing this option at present for COVID-19 relief funds. The drawbacks of this option are that it is time-limited and only available for two years and that it is only suitable for *responding* to disasters. Two years is generally too short a period to deal with medium- to long-term community needs in disaster recovery. More importantly, Community Foundations also have an essential role in supporting communities over a longer period to develop disaster preparedness and resilience. A 2-year ADRF is not a suitable way of doing that.

There is also an important equity issue at stake in the discussion around DGR reform for these predominantly rural and regional philanthropic entities. As has been pointed out elsewhere, reform of the framework should 'look to make it easier, not harder, for charitable funds to be contributed to rural, regional and remote communities, where there is a high level of need for such support.'<sup>4</sup>

Community Foundations have raised this issue repeatedly with the Federal Government over a number of years. We appreciate the interest of the Select Committee Inquiry into Regional Australia and we welcome the Committee's support for resolving this matter.

<sup>4</sup> [https://www.frrr.org.au/resources/FRRR\\_DGR\\_Enquiry\\_Submission\\_August\\_2017.pdf](https://www.frrr.org.au/resources/FRRR_DGR_Enquiry_Submission_August_2017.pdf), p.3

### **About Australian Community Philanthropy**

Australian Community Philanthropy (ACP) was established in 2007 by and for Community Foundation practitioners as a network and support organisation for this sector. Eighty percent of Australia's Community Foundations are current members of ACP.

ACP is incorporated as a Company Limited by Guarantee and is registered as a charity with the ACNC. It is governed by a skills-based board of directors.

Australian Community Philanthropy

- Connects Community Foundation practitioners – board, volunteers and staff - with each other (NB: many work in isolation);
- Provides skill building programs for practitioners and support capacity building for the Foundations;
- Acts as a champion for the Community Foundation sector;
- Advocates for targeted reform to improve the operating environment for Community Foundations.

Further information: <https://www.australiancommunityphilanthropy.org.au/>

## Glossary of terms, acronyms and abbreviations:

---

The Select Committee is asked to note the following terms used in our submissions to which we may also refer in our conversation with Committee members during our hearing attendance:

<b>ACP</b>	Australian Community Philanthropy
	<ul style="list-style-type: none"><li>- the peak body representing Australia's Community Foundations</li><li>- established by and for Community Foundation practitioners in 2007</li></ul> <p><a href="https://www.australiancommunityphilanthropy.org.au/">https://www.australiancommunityphilanthropy.org.au/</a></p>
<b>CF</b>	Community Foundation
	<ul style="list-style-type: none"><li>- there are <b>40 Community Foundations</b> across Australia</li><li>- <b>32 CFs (80%)</b> operate in regional / rural Australia</li><li>- CFs outside the capital cities practice in some <b>120 Local Government Areas</b></li><li>- jointly, Australia's CFs hold more than <b>\$450 million in community assets and distribute over \$30 million each year</b> to support community initiatives</li></ul>
<b>DGR 1</b>	Deductible Gift Recipient (Status 1)
	<ul style="list-style-type: none"><li>- defined in the Income Tax Act</li><li>- This means donations can be tax deductible, and may be applied by the DGR 1 status organisation for such charitable purposes as are consistent with the purpose of the recipient.</li></ul>
<b>DGR 2</b>	Deductible Gift Recipient (Status 2)
	<ul style="list-style-type: none"><li>- defined in the Income Tax Act</li><li>- This means donations can be tax deductible, but the funds may be ONLY be applied to a DGR 1 status organisation for such charitable purposes as are consistent with the purpose of that DGR 1 organisation.</li></ul>
<b>PAF</b>	Private Ancillary Fund
	<ul style="list-style-type: none"><li>- defined in the Income Tax Act (Div 950)</li><li>- See Private Ancillary Fund Guidelines published by ATO</li><li>- Private Ancillary Funds are tax effective vehicles for structured giving by private donors. The Fund holds DGR 2 status for their donations. Funds can ONLY be granted to a DGR1 body in accordance with the guidelines.</li></ul>
<b>PuAF</b>	Public Ancillary Fund
	<ul style="list-style-type: none"><li>- defined in the Income Tax Act (Div 950)</li><li>- see Public Ancillary Fund Guidelines published by ATO</li><li>- PuAF's are established through tax deductible donations to the fund from the general public. All Community Foundations hold a PuAF. Like PAFs, PuAFs are ONLY able to disburse funds to DGR 1 endorsed organisations.</li></ul>
<b>Workaround or Auspicing</b>	<p>A DGR 2 status organisation like a CF can distribute funding for charitable purposes to organisations that do not hold DGR1 status through a "workaround" arrangement by granting the funds to a DGR 1 status body, which in turn passes on the funding to the ultimate intended recipient organisation, auspicing a specific project managed by the DGR 2 body through the DGR 1 body. This can happen in two instances specific under discussion at this Select Committee:</p> <ol style="list-style-type: none"><li>When a DGR 2 holds DGR funds in its PuAF, and wishes to grant for a specific charitable purpose or project.</li><li>When a PAF wishes to establish a project with a DGR 2 body, and can only do so through granting to a DGR 1 body.</li></ol> <p>A time lag and a small fee are usually incurred in this process.</p>

# Case Studies

## Australian Communities Foundation (Melbourne based, funding nationally)

*Australian Communities Foundation (ACF) is Australia's only nationally-focused community foundation. Founded in 1997 as the Melbourne Community Foundation, it is one of Australia's longest established and largest community foundations. It became Australian Communities Foundation in 2011. Today, ACF stewards community assets of more than \$111 million in funds under management. In FY2018/19, ACF made close to 700 grants to 450 organisations and individuals nationally to a total value of \$9.4 million.*

*In response to the bushfires, ACF worked with its donor community to direct donations to fire affected communities. In relation to COVID-19, ACF set up a crisis response fund and joined forces with Philanthropy Australia to develop a coordinated national funding platform that brings together funding needs with funding available.*

*As a leading member of Australian Community Philanthropy, ACF contributes significant expertise and resources to the national capacity-building effort for the community foundation sector.*

The Australian Communities Foundation COVID-19 National Crisis Response Fund has been set up as a collective giving fund that aims to attract donations from the general public, philanthropists, businesses and others with the view of distributing funding to small community organisations that may have been overlooked by Government funding or the wider general public donations but are doing critical work in their communities.

Australian Communities Foundation's team is best placed to distribute funding in strategic way because we are speaking with our extensive network of NFP and sector experts. Every week, we interact with hundreds of community organisations and leaders. We are listening to local communities and grass roots organisations across the country, analysing government and civil society responses and monitoring developments to identify the next critical funding opportunity.

Due to the restrictions of attracting funding from existing philanthropic structures we have been able to raise approximately \$40,000 into this fund. We believe that if we were able to attract and hold funding from philanthropic structures such as PAFs we would be able to raise significantly more and strategically distribute into the community. The current complex restrictions also require considerable amounts of staff time to facilitate auspicing arrangements to ensure the funding gets to where it's needed most.

We have been contacted by Private Ancillary Funds who would like to play a part of this initiative and use Australian Community Foundation's expertise in distributing grants in a strategic way. To date we have had to turn them away.

Louise Kuramoto

Head of Philanthropy & Impact, ACF

## Bass Coast Community Foundation | Wonthaggi, VIC

---

*The Bass Coast Community Foundation was established in 2002 after a need for a sustainable source of funds to be used for projects exclusively within the Bass Coast region was identified. The Foundation has since that time contributed around \$1 million to projects in its local community, and built an asset of \$1.1 million of funds under management.*

*BCCF has established a special fund dedicated to supporting people in need within the Bass Coast Shire region affected by COVID-19. Funds are used to help community groups and individuals mitigate the financial and health impacts COVID-19.*

“We are in a highly seasonal and casualised workforce zone so many of those affected by COVID will not be able to get support from the government employment support programs. We are awaiting the full impact, but unemployment is going to be a big issue and the flow on rent stress, food security, domestic violence and petty crime will hit our community hard.

We are in the process of launching a COVID appeal within the community but yet to receive specific donations or funds. We are also in process of donating over \$30,000 to the only broad-based community service provider in our area, as they are able to provide emergency relief that we are not able to deliver under our status.

If we had DGR1 endoresment, it would give us the ability to provide quick turnaround emergency relief as well as ongoing funds to other charitable organisations that do not have DGR status and help broaden our reach across the community to high need areas. The current set up slows our giving process and dilutes funds due to fees for utilising other bodies to distribute funds. Being able to work directly with other charitable bodies and not having to use intermediaries would ensure more funds made it into the community. This is going to be a long road to recovery and we need all the avenues open to us to support our community and link our donors with bodies that they have an interests in supporting. For example, we have donors that want us to support arts based organisations but due to the lack of DGR status of these we are not able to gift funds to them without going through an intermediary, which takes a percentage of funds along the way.

Kirsty Mawer  
Executive Officer, BCCF

## Community Foundation for Tumut Region, NSW

*The Community Foundation for Tumut Region was established in 2004. Its focus is on the communities in the Snowy Valleys LGA, and area of some 9,000 km<sup>2</sup> with a population of around 14,500. Its mission is to ‘...support the aspirations and needs of [our] community by attracting funds’. Its objectives are to make a difference to its local community and create a lasting community asset. Since its establishment, CFTR has distributed around \$450,000 to support 120 community development projects, working with 70 community organisations. More than half of this was provided as flow-through funding from the Pratt Foundation’s Visy Community Grants Program (2006-2011). CFTR is entirely volunteer-based and has in recent years not been a very active fundraising entity. That changed with the summer 2020 bushfire season.*

In this region, socio-economic impact of COVID-19 is an overlay to the devastation of the summer’s bushfires. In January - February 2020, the CFTR catchment area was severely impacted by the Dunns Road fire that burnt for 50 days, incurring loss of 183 homes and extensive losses and damage to local farming, natural assets and wildlife.

The Foundation’s fire relief fund received \$200,000 in donations in a matter of weeks, an unprecedented inflow of gifts. While generous donations were received promptly, disbursing these funds to local people in need was less prompt, requiring the Foundation to work through intermediary arrangements.

The Foundation’s plan was to issue people in need with vouchers for use at local businesses as far as possible to replace damaged items, including clothing, household items, fencing and the like.

By the time intermediary arrangements were in place, travel restrictions in context of the pandemic shut-down had created new challenges for the Foundation being able to reach affected people to issue vouchers, people accessing businesses to purchase supplies, and in some cases, businesses being able to source stock of required items. The Foundation has not created a special COVID relief fund as the effort required to set up a second special appeal so quickly after the fire fund exceeds volunteer capacity. In April, the Chair of the CFTR wrote:

“...the needs are many as winter approaches, clothing for those who have lost everything, support for those whose property has been damaged, fences, materials.

DGR1 would provide a far easier way to distribute funds from the bush fire appeal to assist those impacted by the Dunn’s road fire. There would be immediate implementation instead of the requirement to apply to work through another organisation that is itself stretched by dealing with the disaster response.

There are people and businesses in our community who would benefit from the generosity of the donors and at present that has been stalled. There is an immediate need to HELP that can be documented locally.

We are volunteers operating a foundation for donations made locally. We need an immediate legal way where Community Foundations can be allowed to act on a specific appeal, provide donors immediate information and a tax concession and benefit all eligible recipients in need of help. It is obvious there should be a simple process to provide accountability.”

Louise Halsey  
Chair, CFTR

## Fremantle Foundation, WA

---

*The Fremantle Foundation was established in 2010. It is Western Australia's largest community foundation. At the end of FY2018/19, it had close to \$1.4 million in funds under management and had distributed more than \$414,000 in grants that year. The Foundation has set up a special [WA COVID19 Relief & Recovery Fund](#) to provide support to homeless people, families, seniors, Indigenous Australians and culture and arts organisations.*

*Fremantle Foundation is an active member of Australian Community Philanthropy and is jointly with ACP leading the current project "Supporting the development of community philanthropy in WA", supported by the Mindereroo Foundation.*

### ***Fremantle Foundation's support of the Community Foundation of the Tumut Region***

During the January 2020 fires the Fremantle Foundation decided to grant to a community hit by the disaster. The decision to grant \$10,000 to the Community Foundation of the Tumut Region was made in early February. At the time of writing this [mid-April], that grant still has not been distributed because of the current process requirements under DGR2 status. With DGR1, once all required due diligence is completed, the grant distribution could be made in a matter of hours.

### ***Fremantle Foundation's support during the COVID19 crisis***

Community foundations have great reach in a local context. Recently we heard of 35 individuals being housed in local hotel, at a reduced rate, to provide crisis accommodation during the pandemic. They are all "rough sleepers" with no shelter of any sort to go to. Initial financial support to the hotel has run out. Leaving the real possibility that a number of people will simply have to return to the streets. With DGR 1 status the Fremantle Foundation could step in and work directly with the individuals or with the hotel to respond effectively. With DGR 2 status our hands are tied. We cannot support the individuals or work with the hotel.

Dylan Smith  
Executive Officer, Fremantle Foundation

## Northern Rivers Community Foundation (NRCF), Ballina, NSW

*The Northern Rivers Community Foundation, established in 2003, has the largest footprint of any community foundation in Australia. It covers more than 20,000 km<sup>2</sup> from Tweed to Grafton, from the ocean all the way up past Kyogle, Woodenbong and Casino, encompassing seven local government areas with a combined population of about 300,000 (ABS 2016). Its key focus areas are: Youth • Disability • Health & Wellbeing • Environment & Conservation • Aged Services. In FY2018/19, NRCF distributed close to \$233,500 in funding with 73% of that directed to health & wellbeing initiatives. Its corpus under management is \$2 million.*

*Communities within NRCF's catchment have experienced drought, bushfires and flood over the past year prior to the COVID-19 shutdown and its socio-economic impact. The Foundation has set up a Resilience and Regeneration Fund to respond to those events.*

"We recently set up the Resilience & Regeneration fund to support regional & remote community organisations and groups who have been impacted by successive crises in our region - drought, bushfires, floods and now Covid-19. We have spent two months speaking with community groups, community leaders, peak bodies as well as the seven councils across our region, to identify where the help is needed most.

There are many smaller and vulnerable community groups who operate with volunteers only and don't have access to some of the federal funding support on offer, especially pandemic-related opportunities. Unfortunately they are not DGR-1 charities, so NRCF cannot fund them directly. Instead we have to go through considerable third-party administration processes and in some cases, partnerships with other community organisations, to get the funds to where they are needed most. In a crisis environment, this restriction and delay does not support those members of our community who need our help urgently.

Community Foundations have transparent, credible, unbiased and effective grantmaking systems that mean public donations are equitably distributed with the most impact. Updating the legislation and providing Community Foundations with DGR-1 endorsement will greatly increase support for the regional and remote communities in which we work and enhance the quality of life for many vulnerable groups."

Emily Berry  
Executive Officer, NRCF

## Red Earth Community Foundation: South Burnett, Qld

*Red Earth Community Foundation South Burnett (Red Earth) is a vehicle for philanthropy and future planning. It focuses on local projects, local people and local ideas with a view to developing the community's capacity for independence and self-reliance. Red Earth has a very clear vision to build an even better South Burnett for everyone. It is closely guided by this mission to invest in people and act as a catalyst for the South Burnett and beyond to thrive into the future.*

*RECF was established in 2013 in the context of a major flood impacting the local area. It operates mainly on the basis of flow-through funding, applying donations received to run a leadership development program for local community members.*

"In communities like ours where we are often responding to disasters – flood, fire, drought – we would welcome the ability to access DGR1 status without going through intermediaries (although we greatly value our ability to utilise this tool while it is required).

This would create a much more rapid and agile ability to access local philanthropists/givers to support emerging needs. It would be low to no cost to administer and distribute due to volunteers running funds and further build the value of our community foundation as a key plank in enabling the local communities to better respond to unplanned disasters and disruptions. In 2013 when we ran the Mayor's South Burnett Flood Appeal, which returned over \$95,000 back into local businesses and community groups through a voucher system, we were reliant on an external agency for a significant proportion of the donors who were seeking a tax deduction.

Over the past 6 years Red Earth Community Foundation's leadership program has graduated over 140 local people. DGR1 status, combined with the increasing contribution of the leadership alumni in local government, industry and community organisations would make a perfect partnership to strengthen and accelerate the region's future readiness. The Red Earth leadership alumni are leading numerous COVID responses across the South and North Burnett, however in the current state without a DGR1 status, Red Earth Community Foundation remains reliant on external entities to attract the support of local philanthropists who also seek taxation benefits from their donations.

"Red Pitch", a live funding event coordinated by Red Earth Community Foundation in December 2018 raised over \$10,000 in one evening for two community led projects; both of which provided financial support to organisations delivering support services listed above. The success of this initiative was in part due to the charitable status of receiving organisations, with Red Earth Community Foundation again being constrained in offering all donors tax deductibility. Overall, this limits a community foundation's ability to tailor short and long-term support where most needed in the South Burnett because of the DGR status.

In relation to COVID-19, what we are hearing around our community is experiences of increased homelessness, increased mental health episodes due to isolation, emergency response to need is sporadic, there is no public transport to enable women and families experiencing domestic and intimate partner violence to move to a place of safety, unemployment and disconnection from support bases; longer term disruption to supply chains, business continuity, concern over length of downturn/ hibernation and the jobs market post-COVID.

We have a community-led initiative to supply essential grocery items to the most vulnerable in our community – "Essentials for the Elderly" – by partnering with commercial businesses and local philanthropists. Because of the immediate urgency and the closure or limitations of many service organisations to place their volunteers in the line of fire, individuals in a community such as the South Burnett have stepped up to harness supporters and

source essentials to meet needs that may not be eligible for mainstream charity. When one such volunteer was looking to partner with community and a charity to help her with her individual efforts, RECF was suggested to her and she felt there would be more obstacles than benefit working through us in delivering her community project. We believe this is a clear example where DGR1 endorsement for our Foundation would offer leverage and value to her business and other like-minded businesses and philanthropists to donate funds through RECF and receive a taxation benefit to offset reduced income during COVID - a resilience and sustainability initiative.”

Georgie Somerset  
Chair, Red Earth Community Foundation

## Stand Like Stone Foundaton: Limestone Coast, SA

*The Stand Like Stone Foundation, established in 2004, serves the Limestone Coast region in the south east of South Australia, comprising local government areas of City of Mount Gambier, District Council of Grant, Kingston District Council, Naracoorte Lucindale Council, Robe District Council, Tatiara District Council and Wattle Range Council, an area of 21,500 km<sup>2</sup> with a population of 64,500 (ABS 2006). The Foundation distributes more than \$400,000 in funding p.a. and manages a corpus of more than \$4.5 million.*

### **Bushfire Relief**

After the Keilira fires in the Limestone Coast in December 2019, we had two community events raise \$9,000 for SLSF to distribute to fire victims.

However, had we been able to offer tax deductibility to larger donors in conjunction with the event, this sum would possibly have doubled, or trebled; we had indications from donors of this fact.

We also accessed income and a small amount of capital funds from our established Disaster Relief Sub Fund to distribute as grants. This Fund is an “open” fund (Not a DGR1 fund) so tax deductions cannot be granted to donors.

Relief donations were distributed in a similar way to how SLSF distributed donations made after the disastrous “tornado” tore through the Penola/Coonawarra area in 2010. SLSF is well equipped to raise, asses and distribute disaster funding.

### **Emergency Relief – Covid 19 Response**

Currently, SLSF is working with community groups to offer a funded food voucher system in the Limestone Coast Region for those affected by Covid-19. There is a large demand on DGR1 resources, eg Foodbank in our region, and we anticipate SLSF will provide funding to Foodbank in due course.

However, Foodbank does not operate across the whole region, and we are looking to work with other charities, and charitable bodies to establish a workable food voucher system across the Limestone Coast. To only be able to grant our DGR2 funds direct to DGR1 bodies will cause inequity in the projected program.

If we could establish our own DGR1 fundraising for this specific purpose and were able to accept and give tax deductibility to donors it would increase the equity of our granting through our own charitable program. This would mean operating side by side with charities such as Foodbank and ensure equity in distribution of program funds to those smaller communities in the region we operate in.

We are considering granting approximately \$30,000 from current funds. We believe through current investigations that SLSF could double or triple that amount if DGR1 status was available to us.

Anne Kerr  
CEO, SLSF