

Recommendations of the Productivity Commission

Wednesday 11 September 2024

Dear Dr Leigh

We, the undersigned pro-secular and non-religious community organisations, urge you to support the independent advice of the Productivity Commission in regards to recommendations concerning Basic Religious Charities (BRC) and the removal of Deductible Gift Recipient (DGR) status for school building funds and religious activities in government schools.

Basic Religious Charities

In its *Future foundations of giving report*, the Productivity Commission said there was no justification for the existence of the BRC category, and that removing it would deliver a “more transparent and consistent approach to regulating charities”.

We believe the special exemptions to governance standards and financial reporting requirements provided to religious organisations with BRC status fundamentally undermine public confidence in the charities system. After years of media reports about abusive practices and financial malpractice among such charities, the Australian public is now demanding greater transparency and accountability of these charities.

Significantly, the charities regulator, the Australian Charities and Not-for-profits Commission (ACNC), recognised, in its own submission to the Productivity Commission, that the exemptions for BRCs may be reducing public trust and confidence in the system.

It is reasonable and appropriate that these charities be required to report in the same way, and to meet the same governance standards, as all other charities, including religious organisations that do not have BRC status.

We encourage the Albanese government to put an end to this special treatment and remove the BRC category, and the associated exemptions, from Australia’s charities laws.

Deductible Gift Recipient status

We are very disappointed by your decisions to reject the Productivity Commission's recommendation for removal of DGR status for school building funds, and for religious activities in public schools.

Regarding DGR for school building funds, the Commission noted in its report that the vast majority of donations to such funds benefit the wealthiest of private schools, with the richest 10 per cent of school building funds getting 83 per cent of the donations. Tax deductions for donations to school building funds have a regressive effect and provide no wider public benefit, with mostly wealthy people enjoying a tax benefit as reward for donating to the wealthy schools where their children attend. The government should not be asking taxpayers to help exacerbate the inequality in Australia's education system by further subsidisation through this DGR category.

Regarding DGR for religious activities in public schools, taxpayers should not be subsidising religious missionary activities in what should be secular government schools. Programs such as Special Religious Education (SRE) in New South Wales and Religious Instruction (RI) in Queensland have a negative impact on many students, as these programs segregate children along religious lines and disrupt normal learning time. With [significant majorities of public school students now opting out](#) of RI/SRE, many children are forced to stop their normal curriculum to allow for some of their peers to participate in religious indoctrination classes. Such religious instruction is something that families can freely choose to do in their own time in the numerous places of worship located in local communities.

Will the Albanese government reconsider its position on DGR status for school building funds and religious activities in public schools?

We have been troubled to see religious lobbyists and religious leaders engaging in exaggerated attacks towards the independent Productivity Commission, labelling the Commission's work as a "direct attack on faith" (National Catholic Education Commission), and accusing it of being motivated by an "atheistic hostility to faith" (Australian Christian Lobby).

We expect the government to make decisions based on expert advice and not be swayed by such scare campaigns. That is why we urge you to support the Productivity Commission's recommendations regarding these matters.

Yours sincerely,



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