



Established in 2009, Denmark Community Foundation DCF is listed in the initial 28 community foundations eligible for DGR 1 status. We are a very small foundation located on the south coast of Western Australia, in the Great Southern region. Our LGA is the Shire of Denmark, with a population of approx. 6500.

DCF received \$100,000 from Stan Perron Charitable Foundation in June this year – which was an absolute game changer for us. A significant amount of this money (\$40,000) helped launch a community bus, working to reduce social isolation. \$20,000 was given to Denmark Primary School P&C to contribute to an all-abilities playground. \$10,00 was granted to support our local (lone) Youth Worker in town, through the Albany Youth Support Association. DCF also committed to employing a Support Officer, at 5 or 6 hours per week (commenced August 2024). Prior to receiving this donation from Stan Perron Charitable Foundation, our capacities were considerably lesser.

Denmark Community Foundation's response to DGR 1 Guidelines are as follows:

- Minimum annual distribution. We feel strongly that a four-year exemption period for newly established foundations to build corpus should be granted. Also, 'minimum distribution' should not include assets for (very) small organisations/foundations. Clause 2 (\$8,800 minimum) may have significant implications for small & very small organisations. This needs further explanation &/or (better) examples.
- All monies in disaster relief (*'holding'*) funds should not be included in the 'minimum distribution' calculation - disasters are unlikely to occur every financial year. Further, as a very small foundation, how can we access relief funds if a disaster is not declared? e.g. the cost-of-living crisis & the housing crisis are at disaster level in our community.
- The compliance burden around point 10 in the factsheet (ensuring that a non-DGR 1 *'entity uses the money in a way that is consistent with the purposes of the community charity'*) is significant. We are an extremely small organisation – with one casual staff member currently working 5 or 6 hours per week. To what extent are we required to ensure entities use money given in ways that are consistent with our purpose? The capacity of (very) small organisations to fulfil this requirement is extremely limited. Using the example provided, how would we be expected to monitor that a *'farmer does not receive any material private benefit from the grant'*?
- Does the *Privacy Act 1988 Cth* override the obligations discussed in section 7 & 8 of the Explanatory Statement? We operate (& live) in a very small community & support people who are vulnerable & marginalised, hence ensuring that we protect their privacy is paramount.
- Requirement to have an Investment Strategy. Would a 'Philanthropic Plan' meet this requirement? Being a very small foundation the obligation to create an Investment Strategy is onerous, & potentially superfluous.

- We feel some visual chart/flow process diagrams would be very helpful through *all* documents – given that the majority of foundation directors & staff do not have any expertise in the accounting & taxation fields. Related to this, further definitions (section 5) are required – specifically: *Sunsetting, Disallowance, Safe harbour valuation methodologies, Arm’s length creditor*.
- For clarity, a full list of the DGR1 categories would be helpful in *all* documents – or in the very least, a list of the most common/relevant categories for community foundations with a link to the full list provided.
- Examples of the following are also required: who or what type of organisation may be brought into the fold in the future; why an organisation/foundation might apply to lower the minimum annual distribution rate; thresholds for organisations in terms of reporting requirements ‘*depending on size*’ (further information is needed).

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