



Hands Across Canberra  
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**From:** Genevieve Jacobs  
**Subject:** DGR reform for community foundations  
**Date:** November 28, 2024

I write regarding guidelines for changes to Deductible Gift Recipient Status and the creation of the Community Charity status, following legislation passed by the Commonwealth in June 2024.

Hands Across Canberra (HAC) is one of a network of community foundations across Australia. We support over 360 local charities, all of whom work with vulnerable people.

HAC's corpus of \$5.5 million includes 25 sub funds (named funds) within our Public Ancillary Fund. These are donated by individuals and families to support our work in perpetuity. HAC also administers the Chief Minister's Charitable Fund.

HAC runs the annual Canberra Day Appeal, encouraging donations to all our participating charities and HAC. This raises an average of \$650,000 per annum.

HAC operates several other grant rounds including the Sue Salthouse Fund assisting leadership in disability, a biannual charity house project aimed at specific areas of need, and small grants for practical support.

Due to previous regulatory limitations, HAC developed the Canberra Collaborative with the Snow Foundation, John James Foundation and Aspen Medical Foundation to cooperate on grant funding. HAC operates the grant round with collective input, but grants are made individually by each of the Foundations.

Together, the Canberra Collaborative grant round makes a \$1.5m annual impact on more than 60 charities. This year, projects ranged from long term accommodation for migrant and refugee women experiencing domestic violence to a mobile vet clinic offering companion animal care to people experiencing homelessness.

In 2024 the Canberra Collaborative was shortlisted for a national award for impactful philanthropy by Philanthropy Australia.

HAC also plays an important role in building capacity among the charities, providing fundraising support and facilitating innovation.

Community Foundations Australia has been representing the network of community foundations as these reforms proceeded. We fully support and reiterate the approaches pursued by CFA.

It is important to note that while superficially similar, community foundations differ in many significant respects from Private Ancillary Funds (PAFs) and guidelines should reflect this.

Our particular concerns are as follows:

1. Community foundations wish to simplify their structures and welcome the streamlining proposed for Community Charity DGR status. However, HAC urges Treasury to recognise the sub fund structure under which we've enabled corpus growth is based on donor relationships. We consult and engage regularly on disbursement of proceeds, although we are not legally obliged to do so. A presumption that individual sub fund identities have no significance could substantially damage long standing and trusted donor relationships.
2. Community foundations are growing and are likely to have substantial funds under investment as the legislation takes effect. Enabling community funds to donate to other community funds – for example in cases of natural disaster or other common causes – could mobilise significant assistance for communities.
3. Community foundations typically disburse multiples of the minimum four per cent distribution, operating with low overheads. Understandable concerns on ensuring minimum distribution within Community Charities should be met within guidelines, particularly around clarifying how the new structure will regard non-cash assets and administration costs.
4. Clear pathways for the transition to Community Charity status would be valuable: most community foundations operate with a handful of staff, the assistance of volunteers, and pro bono professional assistance where available. Onerous or complex transition requirements may significantly delay or even prevent transition. A model trust deed or constitution would be helpful.

Community foundations are growing in number and relevance in Australia and are becoming a vital part of many communities. Thank you for your consideration of our concerns and thoughtful engagement with the sector as this critical transition begins.

Genevieve Jacobs

*Chief Executive Officer*  
**Hands Across Canberra**