



30th November 2024

Not-for-Profit Unit
Federal Treasury
Langton Crescent
Parkes ACT 2600

Submitted via email to: charitiesconsultation@treasury.gov.au

Dear Madam / Sir,

Taxation Administration (Community Charity) Guidelines 2024 Exposure Draft

About Mumbulla Foundation

Mumbulla Foundation (trading as Mumbulla Community Foundation) is a small, volunteer run community foundation supporting communities in the Bega Valley LGA in south-east NSW.

Mumbulla Foundation is one of the twenty-eight community foundations listed in the *Treasury Laws Amendment (support for Small Businesses and Charities and Other Measures) Act 2024*.

Mumbulla Community Foundation was founded in 2000. In the last 24 years, we have been able to contribute nearly \$2M into our community, through over 540 grants to over 300 different organisations and to over 150 scholarship recipients to support their continuing education.

We had been fortunate in the past to receive funding from sources untied to requirements around tax deductibility – predominately from our local council (now ceased), but also occasionally from donors who did not seek tax deductibility. This approach has allowed us to support numerous small, grass-roots organisations serving our community, many of which do not have any form of charitable status. Our average community grant over the last 24 years has been in the order of \$3,000; our scholarships are around \$1,000.

We currently run both an open, operating fund and DGR2 Trust fund. Mumbulla Community Foundation has not been able to build a future investment (endowment) fund in the past, but this will become a key focus going forward, to help ensure our long-term viability and our ability to support our community.

Benefits of the Community Charities Reforms to our Community

Mumbulla Community Foundation continues to focus on building long term trust in our community. We are starting to receive notification of a small number of bequests, but we have much to do in this space.

Critical to our positioning with our benefactors (through bequests, personal donation and donations from PAFs) has been, and will be, our ability to support the small, local non-DGR organisations working in our community and our granting of continuing education scholarships.

There are very few local DR1 organisations in our community, and those that do exist have (by necessity) a narrow area of operations.

Community Foundations, on the other hand, are not usually aligned to a single cause but to supporting our communities as a whole by being able fund across sectors – a unique capability.

Simplification of Structure

Mumbulla Community Foundation already has two entities – our operating entity (ABN 75 094 731 601) and our DGR2 Trust entity (ABN 72 199 314 980).



We understand that one of the goals of the legislation has been around simplification of the operations.

Indications from the Draft Guidelines imply that we may need to create yet another Trust as the CC (DGR1) Fund. If this occurs, we would like to be able to roll our exist Trust into the new CC entity, to eliminate the need to manage, and report on, a third entity.

If we understand the Guidelines correctly, it is mandated that all distributions from the CC entity must be for DGR-like activities. We support many initiatives that align with our Constitution but may not strictly align the definitions of “DGR-like” activities. We current support these initiatives through our non-tax-deductible operating account. It is our desire that the guidelines will allow us to have one, tax-deductible DGR1 fund with the flexibility to support all the activities described within our ACNC approved Constitution.

Clarification Required on DGR-like and non-DGR-like activities

There is a very real need for greater clarity on what are DGR-like and non-DGR-like activities, even though all meet a charitable purpose. If we are to adopt the CC structure, this distinction becomes a vital additional part of our process in working with our community to understand what is acceptable for us to fund under the Guidelines and when we are assessing grant applications. *(See Attachment 1 for Sector Analysis of past Community Grants and Attachment 2 for summary of community organisations supported)*

Our Continuing Education scholarships, paid to individuals, are a critical part of our support to community. We seek clarification that funding continuing education scholarships will be a permissible activity by a DGR1 Community Charity. *(See Attachment 3 for analysis of Continuing Education Scholarships)*

Calculation of Disbursements

We have concerns around the calculation of annual disbursement.

We are a very small community foundation with a very small endowment, currently less than \$80,000.

Whilst we have plans underway to significantly increase this endowment over the next ten years, a minimum required distribution of \$8,000 would have a serious impact on our small fund.

We would ask that the minimum distribution be set at 4% of current cash assets and income, and that the 4% includes the operating expenses of the DGR1 Community Foundation itself.

As an example, we have told that we may receive from a bequest a small property in one of our villages. If and when this happens, we would like to have the flexibility to consider using the property as a community asset of some kind. If the required distribution is on all assets held in the DGR1 Trust, including non-cash assets, we could see our cash reserves in the Trust significantly reduced, perhaps forcing us to liquidate the asset, to the detriment of our community.

Asset Transfers between Community Foundations (Community Charities)

Community foundations exist to support their communities, but we are part of a national (and in fact global) community and network of similar organisations seeking to enhance the communities in which we live.

As part of this broader community, we seek to support each other through experience, knowledge, skills and process.

Part of this support network includes being able to support financially, if needed in a crisis or emergency.

There have been numerous events recently (such as Black Summer, Lismore Floods, Denmark WA fires, etc) where community foundations have sought to help each other in any way possible – including financial.



Our individual governance standards control how this may occur, but it remains a vital element of our social infrastructure.

At a more local level, when the local DGR1 Community Entity is established, will the existing DGR2 entity run by Mumbulla Foundation be able to transfer its funds into the new entity? Similarly, will our existing operating entity (as a Community Foundation) be able to transfer some or all of its assets into the DGR1 entity?

This flexibility would significantly help simplify our operations, management and reporting. As an all-volunteer organisation, this simplification would allow our directors to focus more looking out into community, rather than ensuring that numerous legal entities are being managed as we know we must.

Uncommercial transactions and benefits to founders and donors

We have concerns regarding the interpretation Section 20 (3)

A community charity must ensure the charity does not provide any benefit (except as set out in section 21), directly or indirectly, to:

- (a) the trustee; or
- (b) a *member, director, employee, *agent or officer of a trustee or a *community charity corporation; or
- (c) a donor to the charity; or
- (d) a founder of the charity; or
- (e) a *relative of an individual covered by paragraph (c) or (d); or
- (f) an *associate of any of those entities (other than an eligible *deductible gift recipient or a *registered charity).

In small regional and remote communities, it is common that voluntary directors of community foundations are often involved in numerous other community organisations, some of which may be recipients of grants from the community foundation.

We have governance standards in place to ensure that a director cannot be involved decision process to award a grant to an organisation in which he or she may be involved.

However, the use of the word “indirectly” in Section 20 (3) would place significant restrictions on both which organisation we can support, and on our ability to attract high quality volunteer directors (who by their very nature, tend to be involved in multiple aspects of their community).

Review of the Guidelines

The passing of the *Treasury Laws Amendment (support for Small Businesses and Charities and Other Measures) Act 2024* and the issuing of the *Taxation Administration (Community Charity) Guidelines 2024 Exposure Draft* are both significant steps forward for the charities sector in Australia, and for Community Foundations in particular.

We know that the environments in which we operate are changing constantly, with the impacts of climate change, cost-of-living, pandemics and so on.

We believe it would be appropriate to include within the Guidelines a process of periodic review, to ensure that that the Guidelines are in line with changing community circumstances and needs.



Thank you for this opportunity to be part of the review process of the Guidelines to this new act. This initiative by the Federal Parliament, Treasury and ATO will have a substantial and positive impact of helping Community Foundations continue to grow the social infrastructure across Australia. We hope our comments will help clarify our interpretation, and concerns, of the Guidelines.

I believe we are all aligned in our goal to make it simpler and more transparent for Australians to support their local communities.

A handwritten signature in blue ink that reads "Michael Pryke". The signature is written in a cursive style and is positioned above a light blue dotted rectangular area.

Michael Pryke
Chair, Mumbulla Foundation



Attachment 1: Grants by Sector

Grants by Community Sector since 2000.

Aged care Total	0.25%
Professional / business association Total	0.43%
Surf Life Saving Total	0.48%
Rotary / Lions / Probus etc Total	0.53%
Education Total	0.63%
Employment service Total	0.78%
Service / Social Clubs Total	0.87%
Social / Service Club Total	1.22%
Tourism Total	1.39%
Library/gallery/museum Total	1.41%
Black Summer Total	1.43%
Recovery Total	1.80%
Seniors Total	2.15%
Men Total	2.37%
Emergency Services Groups Total	3.31%
Women Total	3.65%
Health service Total	3.74%
Neighbourhood or community centre Total	3.97%
Community Groups Total	4.99%
Historical/Heritage Total	5.13%
Community services Total	5.53%
Environment/conservation Total	6.55%
Disability Total	6.57%
First Nations Total	7.41%
Children Total	9.10%
Youth Total	9.15%
Arts and Culture organisation Total	15.14%

Attachment 2: Examples of Local Community Groups supported by Mumbulla Community Foundation since 2000

1st Bega Scout Group	Community Radio	Pambula Wetlands and Heritage Project Incorporated
1st Cobargo Scout Group	Crossing Land Education Trust	P&F SC Anglican College
1st Merimbula Cubs and Scouts	CWA - Cobargo	Pathways Foundation
7th Light Horse, Bemboka Troop	CWA Pambula Merimbula	PCYC Far South Coast
Aboriginal Ancestral Trek	Daisy Chain Productions	Performing Arts Network
Aboriginal Cultural Centre	Dan Scollay- SE Arts Auspice	Pig and Whistle Fleet Club
Aboriginal Culture Centre Monaroo	Drug Action Team	Playability Inc
Aboriginal Culture Centre Robberrer Gudu Inc	EagleHawke Indigenous Corporation	Playgroup-Eden
Aboriginal Evangelical Church Eden	Eden Chamber of Commerce	Quaama Parents and Citizens Association
Accommodation Parent Support Group	Eden Childcare Centre	Quaama Progress Association
Aged and Disabilities	Eden Community Access Centre Inc	Quaama Progress Association Incorporated
Alzheimer's Australia	Eden Community Radio Inc.	Quaama School of Arts
Animal Welfare Lague - South Coast Branch	Eden CTC	Reaching Out Foundation
Art and Craft by the Sea	Eden Game Development Centre	REAP Sapphire Coast
Art in the Garage	Eden Killer whale Museum	Reconnect
Atlas of Life in the Coastal Wilderness	Eden Lioness Club	Rescue Squad
Auswide Services	Eden Local Aboriginal Land Council	Respite Care Bega Valley Inc
Bandara Children's Services	Eden Marine High School P&C Association	Riverside Nursery
Bermagui Seasideers	Eden Melody makers	Rocky Hall Community Association Inc.
Bega A P & H Society Incorporated	Eden Men's Shed	Rocky Hall Pre-school
Bega Access Radio - Edge FM	Eden Preschool	Rotary Club Bega
Bega Chamber of Commerce	Eden Pre-school and Kindergarten Association Inc	Rotary Club of Pambula Inc
Bega Chamber Orchestra	Eden Pre-school/Bemboka play group	Rotary Young Carers Assistance Program
Bega Day Out Festival	Eden Primary P&C and Playability	Rural Tourism Network
Bega District Nursing Home	Eden RSL Sub-Branch	Sapphire Anglican Parish
Bega District Volunteer Group	Eden Service and Social Club Incorporated (ESSCI)	Sapphire Coast Active Kids Playgroup
Bega District Volunteers Rescue Squad	Eden Tourism Inc	Sapphire Coast Concert Band
Bega District Woodcraft	Eden Whale and Marine Discovery Centre	Sapphire Coast Marine Discovery Centre
Bega Evening View	Eden Whale Festival	Sapphire Coast Rotaract
Bega Festival of Reading:	Edge FM Community Radio	Sapphire Community Centre
Bega Hospital Auxiliary	Edgy Art Incorporated trading as Sculpture Bermagui	Sapphire Community Projects Inc
Bega Littleton Sister City Exchange	Far South Coast Community College	Sapphire Community Radio

Bega Preschool	Far South Coast Legacy	Sapphire Kids Playgroup
Bega Rotary Club	Far South Coast Maternity Advisory Group	Sapphire Neighbourhood Services
Bega Sub-Branch of Returned Services League	Far South Coast Musicians Club	SC Underwater Research Grp
Bega Table Tennis Club	Fellowship of Aust. Writers	Scouts-Cobargo
Bega valley Creative Floral Art Group	fLing Physical Theatre	Scouts-Merimbula
Bega Valley Disability Support Group	Flourish Australia	SCPA / Grow the Future
Bega Valley Family Day Care	Footprint Theatre	Sculpture on the Edge
Bega Valley Genealogy Society	Four Winds	SE Arts
Bega Valley Heritage Skills Group	Friends of Kiah Hall	SE Women's and Children's Services
Bega Valley Historical Society	Friends of the Library	Sing Eden
Bega Valley Hospice Group	FSC Family Support	Social Justice Advocates of the Sapphire Coast
Bega Valley Library	Fungi Festival Association Incorporated	South Coast History Society Inc.
Bega Valley Meals on Wheels	Funhouse	South Coast Rotaract
Bega Valley Mentoring network	Garden of Eden	South Coast School for Children with Autism
Bega Valley MS Support Group	Girl Guides NSW and ACT	South Coast Women's Journal
Bega Valley Parents Support Group	Gospel Project Eden	South Coast Workplace Learning
Bega Valley Pink Link	Grand Pacific Health	South East Arts (NSW)
Bega Valley Potters	Headspace Bega	South East Women and Children's Services
Bega Valley Public School	Heartsong Choir	South East Women's Refuge
Bega Valley Public School P&C	Hillgrove House	Southern campus - BVCC
Bega Valley Respite Care	Historical Vehicle Club	Southern Valley Folk Club
Bega Valley String Orchestra	How Art Bemboka Community Hub Inc	Southern Women's Group
Bega Valley Suicide Prevention Action Network	Imlay Crafts	Spectrum Theatre Group Inc
Bega Valley support Group	Imlay District Nursing Home	Spiral Gallery Cooperative
Bega Valley Volunteer Rescue Group	Imlay Special Needs Group	St George Uniting Church
Bega Valley Weavers	In Theatre	St Johns-Bega
Bega Walking Together/ANTar	Jellat Rural Fire Brigade	St Patricks Public School Bega
Bega Women's Gathering	Joy Club	Stonewave Taiko
Bega Women's Resource Centre	Kameruka Cricket club	Suicide Prevention Action Network
Bega Woodcraft Assoc	Kameruka Estate Debutante Ball Committee	TADACT
Bega Valley Autism Lab	Kari Yalla Aboriginal Artists Group	Tanja Hall School of Arts
Bembakan	KIAH RURAL FIRE BRIGADE	Tarraganda Quilters
Bemboka Bush Cottage Inc	Kings Theatre Committee	Tathra Community Garden
Bemboka Community	Legacy Far South Coast	Tathra Landcare
Bemboka Men's Shed	Life Education	Tathra Lions
Bemboka Parents and Citizens	Lions Club of Pambula-Merimbula	Tathra Mountain Bike Club
Bemboka Playgroup	Lions Club of Tathra.	Tathra Patch workers -

Bemboka Troop 7th Light Horse	Little Yuin Aboriginal Pre-school	Tathra Public School P&C
Bemboka/Eden Public School	Luke Priddis Foundation	Teen Clinic
BEND	Lumen Christi College	The Crossing Land Education Trust
Bermagui and District Seniors Social Club	Marine Rescue Merimbula	The Disability Trust
Bermagui Community Garden Group	Meals on Wheels	The Environment Network
Bermagui Community Hall	Men's Health and Wellbeing association, South Coast	The Food Tool Library
Bermagui Community Technology Centre	Men's Shed Merimbula	The Gospel Project
Bermagui Heritage Trail	Merimbula and District Arts Group	The Nomads Choir
Bermagui Historical Society	Merimbula Chamber of Commerce	The Triangle
Bermagui Marine Rescue	Merimbula Youth Club Inc	Theatre Onset
Bermagui Playgroup	Merimbula-Imlay Historical Society Inc	Theatre Onset Inc
Bermagui Pre-school	Merriman's LALC	Towamba Community Progress Association
Bermagui Probus Club	Montreal Goldfield Management Committee	Towamba Parents and Citizens Association
Bermagui Seasideers	MOOSH (Auswide)-Merimbula out of School hours	Towamba Progress Association
Bermagui Surf Lifesaving Club	MS Support Group	Towamba Public School
Bermagui University of the Third Age Inc	Murrah hall Restoration and Preservation Association Inc	Towamba RFS
Bermagui Weightlifting Club	Nardy House	Triangle Owner Builder Network
Biamanga Percussion/Flyng	Nardy House Respite Care	Tulgeen Group Inc
Burragate Rural Fire Brigade	Narooma Legacy	Twofold Aboriginal Corporation
Campbell Page	National Parks	U3A Sapphire Coast
Cancer Home hospice	National Trust NSW Far South Coast	Valley Quilts for Kids Inc
Candelo Agricultural Assoc.	Nethercote Residents Association	Wallaga CDEP
Candelo Arts Society	Nomads Choir	Wallaga: Bermagui Men's Shed
Carers Accommodation Design	Old Bega Hospital Reserve Trust	Wilderness Coast Mountain Bike Club
Catholic care Canb and Goulburn	On Track	Wolumla Memorial Hall Local History Group
CCASE	Pambula Consumer Group	Women's Resource Centre
Clean Energy for Eternity	Pambula Playgroup	Workability Personnel Inc
Cobargo Online	Pambula Pre-school	Writers of the Far South Coast
Cobargo Pre-school	Pambula RFS	Wyndam Rural Fire Brigade
Cobargo School of Arts Hall Committee	Pambula Rotary Auspice	Wyndham Public School P&C
Cobargo Scout Group	Pambula Surf Lifesaving Club	Youth Education Support Services
		Youth Safety Net - Reconnect
		Yuin Folk Club Inc

Attachment 3: Continuing Education Scholarships

Note: Between 2005 and 2021, Mumbulla Community Foundation provided five undergraduate and one post graduate scholarship annually to our local University of Wollongong Campus. Most undergraduate scholarships went to Bachelor of Nursing candidates, and most post-graduate scholarships were to Master of Teaching candidates. All our scholarships are valued at \$1,000.

Year	Course	Institution
2021	Cert III in Agriculture	TOCUL College (2022)
2021	Allied Health Assistance	TAFE Digital
2021	Automotive Body Repair	CIT Fyshwick ACT
2021	Bachelor of Business (Financial Planning)	UniSA
2021	Bachelor of Food and Nutrition	LaTrobe University
2021	Bachelor of Nursing	University of Wollongong, Bega
2021	Bachelor of Nursing	University of Wollongong, Bega
2021	Bachelor of Nursing	University of Wollongong, Bega
2021	Bachelor of Nursing	University of Wollongong, Bega
2021	Bachelor of Nursing	University of Wollongong, Bega
2021	Bachelor of Nursing	University of Wollongong, Bega
2021	Bachelor of Science	University of New England
2021	Bachelor of Social Work	Charles Sturt University distance education
2021	Cabinet maker/furniture	TAFE NSW
2021	Cert III in Dental Assisting	Dental Assistants Professional Association
2021	Cert IV in Ageing Support	South Coast Careers College
2021	Cert IV in Tertiary Preparation	Armidale TAFE
2021	Cert IV Leadership & Management	Australian College of Higher Duties Bungendore
2021	Certificate IV in Disability	TAFE NSW
2021	Graduate Diploma in Psychology Advanced	Monash University
2021	Graduate Diploma of Psychology	Charles Sturt University (online)
2021	Master of Secondary Teaching	University of Wollongong, Bega
2021	Master of Teaching (Secondary)	University of Newcastle (online)
2021	Master of Teaching (Secondary)	University of Wollongong, Bega
2021	MBA Health Care Service (Aged Care Management)	Kaplan Business School Sydney
2021	Naturopathy BHSc	Endeavour College Sydney
2023	Bachelor Arts	Charles Darwin University
2023	Bachelor Arts & Bachelor Secondary Education	Macquarie University
2023	Bachelor Community Services	TAFE NSW
2023	Bachelor Education (Technology & Applied Studies)	Charles Darwin University
2023	Bachelor Information Studies (Librarianship)	Charles Darwin University
2023	Bachelor Laws	Uni of New England
2023	Bachelor Nursing	Uni of New England
2023	Bachelor Nursing	University of Wollongong, Bega
2023	Bachelor Nursing	University of Wollongong, Bega
2023	Bachelor Nursing	University of Wollongong, Bega
2023	Bachelor of Nursing	University of Wollongong, Bega
2023	Bachelor of Nursing	University of Wollongong, Bega
2023	Bachelor of Nursing	University of Wollongong, Bega
2023	Bachelor Psychological Science	Deakin Uni (online)
2023	Bachelor Social Work	Charles Darwin University
2023	Bachelor Social Work	Charles Darwin University
2023	Bachelor Social Work	Charles Darwin University
2023	Bachelor Speech Pathology (honours)	University of Newcastle
2023	Cert 111 Meat Processing (Retail Butcher)	TAFE Wollongong (Eden practical)
2023	Cert III Design Fundamentals	TAFE NSW
2023	Cert III Fitnexx	University of Wollongong, Bega
2023	Cert III Plumbing	Canberra Institute Technology (CIT)
2023	Cert IV Ageing Support	TAFE NSW
2023	Degree in Health & Master of Occupational Therapy	Charles Darwin Uni
2023	Diploma Community Services Case Management	TAFE NSW

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Year	Course	Institution
2023	Diploma Early Childhood Education & Care	Australian Early Childhood College
2023	Diploma Midwifery	Charles Darwin University
2023	Doctor Medicine & Surgery (3rd Yr)	ANU (SERH location)
2023	Hospitality III, RSA, RCG	TAFE Bega
2023	Internal Family Systems Therapy Lv 1	IFS Institute Sydney
2023	Master Nursing Practice	Charles Darwin Uni
2023	Master of Education	University of Wollongong, Bega
2023	Master of Education	University of Wollongong, Bega
2023	Master of Education	University of Wollongong, Bega
2023	Master Teaching (Primary)	University of Wollongong, Bega
2023	Post Graduate Diploma in Psychology	University of New England
2023	Under Graduate Diploma Criminal Justice	Charles Darwin University
2023	UOW bridging course	Bega High School & UOW
2024	Bachelor of Nursing	University of Wollongong, Bega
2024	Bachelor of Nursing	University of Wollongong, Bega
2024	Bachelor of Nursing	University of Wollongong, Bega
2024	Bachelor of Nursing	University of Wollongong, Bega
2024	Children & Family Counselling	The Royal Children's Hospital Mental Health
2024	Community Services	TAFE Digital
2024	Computer Science	University of Wollongong - Remote Learning
2024	Counselling	Australian Institute of Professional Counsellors
2024	Counselling	Institute of applied psychology
2024	Counselling	Torrens university
2024	Counselling	University of Canberra
2024	Criminology & Criminal Justice	Griffith University Australia
2024	Critical Care	Edith Cowan University
2024	Dental Assistance	Dental Assistants Professional Association (DAP)
2024	Early Childhood Education	ECTARC
2024	Education Support	NSW TAFE
2024	Electrotechnology	TAFE NSW
2024	English Literature	University of Wollongong, Bega
2024	Gerontological Nursing	University of Tasmania
2024	Health Promotion	Deakin University
2024	Health Science	Torrens University
2024	Master of Teaching (Primary)	University of Wollongong, Bega
2024	Master of Teaching (Secondary)	University of Wollongong, Bega
2024	Medical Ultrasound	Monash University
2024	Mental Health	Mental Health Coordinating Council
2024	Nursing	University of New England
2024	Nursing	University of Wollongong, Bega
2024	Nursing	University of Wollongong, Bega
2024	Nursing	University of Wollongong, Bega
2024	Nursing	University of Wollongong, Bega
2024	Nursing	University of Wollongong, Bega
2024	Nursing - Paediatrics	University of Tasmania
2024	Nursing Practice	Charles Darwin University
2024	Occupational Therapy	Charles Darwin University
2024	Physiotherapy	University of Queensland
2024	Psychological Science	Deakin University
2024	Psychological Science	Swnburne Online
2024	Psychology & Primary Education	Macquarie University
2024	Retail Butchering	TAFE NSW
2024	Social Work	Charles Sturt University
2024	Tertiary Preparation	TAFE NSW
2024	UNIX Programming	University of New England/Open Universities