



**2 December 2024**

Submission by email to: [charitiesconsultation@treasury.gov.au](mailto:charitiesconsultation@treasury.gov.au)  
Building Community – ministerial guidelines for community foundations  
Consultation 05 November 2024 - 03 December 2024  
Exposure Draft guidelines, DGR reform

### **Submission – South West Community Foundation (Victoria)**

South West Community Foundation (SWCF) was created by the people of south west Victoria to provide a mechanism for those with abundant resources to use philanthropy in support of the region.

SWCF is making this submission to share the perspective of a regionally based community foundation based on the philanthropic ethos of 'local giving for local needs', and to advance our core mission of building a strong, caring and connected region that is reflected in a culture of giving.

#### **Our structure**

We are a Company Limited by Guarantee (CLG). The company acts as trustee for our nonDGR Charitable Open fund, and the DGR2 PuAF Public fund. We are currently winding up inactive funds, (Scholarship and Disaster, DGR1) as they were superfluous to our mission and goals, and were an administrative burden.

#### **What we do**

Established in 2007, SWCF works with local people, businesses and volunteer-based community groups to create positive social change in the south west of Victoria. Working across the six local government areas in the region and covering a footprint of over 32,000 sq kms, SWCF helps to build and strengthen local community groups and organisations, incubate and advance ideas and opportunities, and respond to needs at a regional and local community level, contributing to a strong and vibrant region. Our 'small but vital' annual grants have returned over \$1.3 million back into the region since inception. SWCF is committed to supporting our rural and regional communities by stewarding a network of affiliate funds that use grass roots philanthropy to help communities grow and thrive.

#### **Who we are**

All members of the Board are voluntary and representative of all parts of the SWCF region, supported by two staff on 1.0 FTE. We are one of the fortunate community foundations to be considered as part of the first cohort of community foundations eligible to establish the community charity entity. We are a member of Community Foundations Australia, Philanthropy Australia, and an active member of several working groups and special interest groups within the community foundations sector.



### **Submission rationale**

*SWCF was established to provide a simple, cost-effective way for people living in rural and regional communities in south west Victoria to use philanthropy to reinvest in the region. We support any efforts and reforms that aim to simplify the restricted landscape in which we currently operate, and to remove as many barriers to activating philanthropy as possible.*

#### **nonDGR granting**

We are proudly regional, and as such, the number of organisations undertaking vital community activity in our area with DGR1 are limited. We currently have a robust partnership with the FRRR which allows us to support the work of nonDGR grant recipients undertaking charitable activities; having the capacity to grant to recipients directly would be administratively efficient, and return the 2.5% processing fee back to our region.

#### **Private Ancillary Fund partnerships – accepting DGR1 contributions for charitable purposes.**

SWCF currently works in partnership with a number of DGR1 PAF's through the FRRR Community Fundraising account to support their nonDGR granting capacity, and the establishment of a community charity would only serve to promote and streamline this process. There is a perception among some trustees of PAF's in our region that community foundations can't (or wont) be granted DGR1, and therefore that the only option would be to establish a PBI that can support collaborative funding by PAF's. SWCF is of the position that this is unnecessary duplication of entities, however the time taken to establish the community charity entity is a barrier to our capacity to support these philanthropic intentions.

#### **Regional affiliate funds; minimum distribution, four-year endowment building period**

SWCF is actively moving towards the model of building regional affiliate funds that provide communities in rural and regional areas a vehicle to use their own resources to build a lasting endowment, or legacy fund, to support their own communities. We work in a region where our community populations are mostly under 5,000 residents, with some as small as in the hundreds. The minimum distribution amount of \$8,800 is not relevant for small, regional communities in their establishment phase, and we are of the position that the four-year period of building an endowment be maintained under the community charity entity.

#### **Portability between Community Foundations**

SWCF is advocating for the current restrictions on community charities distributing funds to other community charities be reviewed. The current guidelines would restrict a community charity such as ours from accepting funds from nationally based foundations (i.e. Australian Communities Foundation,) however ACF offers extraordinary support for small FTE Foundations such as ours to focus on community capacity building, regional philanthropy and risk management. The sector is extremely collaborative and requires the functionality to build more robust and connected philanthropic partnerships.



**Build and bolster the Community Foundations sector**

In line with our position of building a network of regional affiliate funds that play a role in transforming our communities, SWCF is of the position that there be investment in building and bolstering the network of Community Foundations throughout Australia to advance the Government's goal of doubling philanthropic giving. There is a once-in-a-generation opportunity to use the DGR reform to provide a place-based network of legacy funds that support the communities of rural and regional Australia.

We welcome the opportunity to provide comment to the Treasury Department on the Community Charity guidelines, and we are supportive of policy changes that advance our position of making community based philanthropy a simple, easy way to support your rural and regional community.

Sincerely,

**Annabel Cussen**  
Executive Officer  
South West Community Foundation