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17 December 2012

NFP Sector Tax Concession Working Group Secretariat
The Treasury
Langton Crescent
PARKES ACT 2600

By email: NFPReform@treasury.gov.au

Dear Sir / Madam

Submission to Not-For-Profit Sector Tax Concession Working Group Discussion Paper: Fairer, simpler and more effective tax concessions for the not-for-profit sector, November 2012

Thank you for the opportunity to provide submissions on the above discussion paper.

As an innovator, capacity builder and ideas-generator, Voiceless plays a leading role in the development of a cutting edge social justice movement, animal protection.

With a highly professional and well-educated team, Voiceless brings together like-minded compassionate Australians from the legal, academic, non-profit and education sectors to form strong and effective networks.

Voiceless believes in the provision of quality information, analysis and resources to inspire debate and discussion and to empower individuals and organisations to generate positive social change.

Voiceless is a non-profit Australian organisation established in May 2004 by father and daughter team Brian and Ondine Sherman.

To build and fortify the animal protection movement, Voiceless:

- Creates and fosters networks of leading lawyers, politicians, businesspeople and academics to influence law, policy, business and public opinion;
- Conducts high quality research and analysis of animal industries, exposing legalised cruelty and promoting informed debate;
- Creates a groundswell for social change by building and fortifying the Australian animal protection movement with select grants and prizes;
- Grows animal law as a mainstream practice area to advocate for change in the courts and in legislation; and
- Informs consumers and empowers them to make animal-friendly choices.

Due to the structure of Voiceless and the way in which we operate, this submission will only focus on those areas that affect us as a charity.

voiceless envisions a world in which animals are treated with respect and compassion.

voiceless is a non profit australian organisation established by father and daughter team brian and ondine sherman.

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Chapter 1 – Income Tax Exemption and Refundable Franking Credits

Overall, Voiceless believes that the laws relating to the matters raised in this chapter are adequate and should remain. Specifically in respect of question 6, Should the ability of tax exempt charities and DGRs to receive funds for franking credits be limited, Voiceless believes that there should not be a limitation on tax exempt charities and DGRs to receive funds for franking credits. Placing a limit on charities to receive funds for franking credits would effectively result in taxation on tax-exempt entities.

Chapter 2 – Deductible Gift Recipients

Question 11: Should all charities be DGRs?

Voiceless believes that all endorsed charities should be given DGR status, as was recommended by the Australian Government Productivity Commission in February 2010.¹ The current limitations have considerable detriment for charities seeking philanthropic support, especially from large corporations and Private and Public Ancillary Funds. The extension of DGR status should be implemented promptly rather than over a period of years; especially where the Productivity Commission's recommendation in February 2010 included that the extension of DGR status should happen progressively, and to date that extension has not occurred.

Question 19: Would a clearing house linked to the ACN Register be beneficial for the sector and public?

Voiceless has some concerns with this option. Voiceless believes that it is important to maintain a connection with donors and the Discussion Paper is unclear as to whether charities would have access to the clearing house. Without access, we feel that our connection with donors would be hindered. We also consider that it is important to maintain control over donations received. There is also concern that the implementation of such a clearing house would result in unnecessary costs to the ACNC or ATO.

Question 26: Should the threshold for deductible gifts be increased from \$2 to \$25 (or to some other amount)?

Currently this is not a matter of concern for Voiceless in that we don't possess DGR status. However, if DGR status was to be extended resulting in Voiceless obtaining such status, Voiceless considers that there might be some benefit in increasing the threshold for deductible gifts in order to reduce any administrative burdens that might result from processing small donations.

Chapter 3 – Fringe Benefits Tax Concessions

Voiceless believes that the laws relating to the matters raised in this chapter are adequate and should remain.

Yours sincerely



Ruth Hatten
Legal Counsel
Voiceless

¹ Australian Government Productivity Commission, 2010, *Contribution of the Not-For-Profit Sector*, Recommendation 7.3 at page 184.