

18 December 2012

Manager
Charities Unit
Indirect, Philanthropy and Resource Tax Division
The Treasury
Langton Crescent
PARKES ACT 2600

By: on-line submission

Dear Sir / Madam

Response to NFP Sector Tax Concession Working Group Discussion

The Australian Indigenous Governance Institute Limited (AIGI) is a centre of knowledge and excellence in Indigenous governance. It connects Indigenous groups, communities and organisations to world class best-practice expertise and knowledge with a focus on building sustainable, effective and legitimate governance on the ground.

Incorporated in May 2012 after extensive consultation and several years in the planning, AIGI builds on the findings of the Indigenous Community Governance Research Project and the huge evidence base in Australia and internationally that reaffirms the relationship between effective governance and sustainable outcomes.

AIGI envisions a future Australia where Indigenous nations can pursue and exercise their right to self-determination and economic development through strong self-governance. We know that practically effective and culturally legitimate governance is the staple building block for delivering real change. AIGI seeks to realise this change by assisting Indigenous nations—whether their members live in communities, outstations, pastoral stations, small country towns or city neighbourhoods—in their efforts to determine and strengthen their own sustainable systems of self-governance.

We are passionate about working alongside Indigenous nations to develop their communities, restore economic prosperity, improve the daily lives of their families, inspire the leadership of youth, and bring a renewed sense of cultural integrity and well-being to their people. We call this nation building.

Our comments on the NFP Sector Tax Concession Working Group Discussion paper are set out below. Our greatest concern is that the current DGR system fails to adequately support Indigenous communities and groups in their efforts to improve Indigenous outcomes and of nation building:

1. The current categories of DGR are outdated. Those related to improving the lives of people and communities (eg public benevolent institutions and harm prevention charities) are deficit focused. This means that

effective interventions including those focused on improving the outcomes for Indigenous people are not covered.

2. We note that AIGI (along with nation building initiatives) would not be covered by any current DGR category.
3. Whether an initiative would qualify for “specific listing” is unclear, and the procedure as to how an organization goes about getting a “specific listing” is not transparent. It appears that the application of “specific listing” is on an ad hoc basis.
4. We believe that narrow DGR categories work to disadvantage many effective programs (and the populations they serve) as often these programs are forced to re-engineer their program design to “fit” an outdated DGR category rather than operate on the basis of what would be a successful and effective intervention. This is further exacerbated in the Indigenous context where communities are required to register companies under Corporations (Aboriginal and Torres Strait Islander) Act 2006 (CATSI Act).
5. DGR categories should be regularly reviewed and updated, and at the least align to government policy direction. Focus should also be given to those charities who are working in the community and where effective outcomes are being driven.
6. By way of example, if the government’s policy direction is on “closing the gap” then a charitable initiative that is consistent with this (including AIGI) ought to qualify for DGR. In that way, charities can attract philanthropic and private sector funding to complement the investment of government, and all sectors of the Australian economy will be aligned on delivering objectives in the national interest.
7. Ideally, at the very least there should be a specific category of DGR to apply to a charity that is improving Indigenous outcomes or nation building.

Yours sincerely



Jason Glanville
Chair
Australian Indigenous Governance Institute