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**TAX DEDUCTIBLE GIFT RECIPIENT REFORM OPPORTUNITIES DISCUSSION PAPER,
15 JUNE 2017**

Carers Australia welcomes the opportunity to respond to the Treasury's Discussion Paper on Tax Deductible Gift Recipient (DGR) arrangements.

Carers Australia has been endorsed as a Public Benefit Institution and has Deductible Gift Recipient status and it is from that standpoint that we are providing this response to the Discussion Paper. We very much appreciate the various tax concessions that apply to Carers Australia, not only those that flow from our DGR status, but particularly the fringe benefit arrangements that allow our employees to salary sacrifice up to a certain amount without attracting a fringe benefit tax liability for the organisation. There are also a range of ACT-based concessions relating to payroll tax and stamp duties.

Put together, these tax concessions (both federal and territory) allow us to operate more effectively when our funding is limited and drawn almost entirely from government sources.

Carers Australia also appreciates the establishment of the Australian Charities and Not-for-profits Commission (ACNC) and its role in regulating charities across the sector. We were particularly pleased to be recognised as a charity that meets its obligations under the Act and thus able to display the Registered Charity logo on our website. Having this recognition is valuable to our reputation as an effective and accountable organisation, giving the public confidence in our organisation as one worthy of support. Taking both our DGR status and ACNC recognition together, Carers Australia is well placed to engender confidence from the community and thereby their willingness to support us through donations.

Our submission focuses on one issue raised in the Discussion Paper:

- Whether there should be regular reviews of DGR status (question 9)

Carers Australia has held DGR status for more than 24 years and has never been required to confirm our organisation's ongoing eligibility. While there have been no changes to our purpose since the organisation's inception, and it is unlikely that there will be any changes

in the near future, it is not unreasonable for the Government to want to satisfy itself that this continues to be the case, not only for ourselves but for all current DGR organisations.

We would be open to regular reviews rather than an annual review as suggested in the Discussion Paper, and would suggest that the review be timed less frequently, for example every 5 years or when the purpose of the organisation changes, whichever occurs earlier. We would also support reporting to the ACNC either in conjunction with the Annual Information Statement or via a separate request from the ACNC at specific intervals. Organisations should be permitted to assess their own ongoing eligibility based around a limited set of questions designed for the purpose.

We have no other specific submission to make concerning the remaining questions in the Discussion Paper.

Carers Australia broadly supports the submission being made by the Community Council of Australia, particularly the following statements:

- All DGRs should be charities and all charities should be DGRs
- Purpose should determine both charitable and DGR status, not activities
- Advocacy by charities should be encouraged, not restricted
- The role of the Australian Charities and Not-for-profits Commission should be expanded and enhanced to cover DGR
- Reform of the DGR needs to be informed by a clear policy goal.

We also support the submission made by the Australian Council of Social Service (ACOSS) and in particular the following statements:

- ACOSS supports in principle streamlining administration of DGR status, with ACNC taking on the function of registering organisations for DGR status, and removal of the public fund requirement
- ACOSS opposes separate reporting on advocacy activities and argues that charitable and DGR status should be based on purposes rather than activities.

Please contact Mary Reid, Business Manager, at mreid@carersaustralia.com.au for further information on this submission.

Yours sincerely



ARA CRESSWELL
Chief Executive Officer
3 August 2017