

3<sup>rd</sup> May, 2012

Manager  
Philanthropy and Exemptions Unit  
Indirect Tax Division  
The Treasury  
Langton Crescent  
PARKES ACT 2600

**Submission re Exposure Draft on Restating and Standardising the Special Conditions for Tax Concession Entities**

Dear Sir/Madam,

Our organisation partners with the Australian Diabetes Council to support the development of childhood and youth diabetes services in developing countries – through the International Diabetes Federation Life for a Child program. (The program exists because children and youth with diabetes in developing countries frequently die or develop early and devastating complications due to lack of access or affordability of insulin, expert medical care, diabetes education, and other components of care).

Tax deductible funds from Australian donors come through the Diabetes Overseas Aid Fund (an Ancillary Fund which is an entity of Australian Diabetes Council), and then are sent to the DGR-approved HOPE *worldwide* (Australia) Overseas Aid Fund and then overseas.

Our question concerns non-tax deductible funds, donated by various overseas foundations and companies working in the diabetes world. These funds come into Australian Diabetes Council and then are either expended locally in Australia on salaries or are sent overseas to recipient diabetes centres. There are significant funds involved, although they are only a small proportion of the total expenditure of Australian Diabetes Council.

Australian Diabetes Council has DGR status for Australian activities. We note that for an ITEC entity, Clauses 1.66 to 1.69 of the Explanatory Materials, non-tax-deductible donations that are made overseas may be disregarded in the “in Australia” special conditions, as long as the stated requirements are met.

It is not clear to us from the Explanatory Materials whether non-tax-deductible donations would also be disregarded for a DGR such as Australian Diabetes Council – as they are for an ITEC. If they are not, it would place this aspect of our work in jeopardy. If the current proposed new legislation includes this, then that solves our problem. If not, could we request that the Clauses 1.66 to 1.69 also apply to DGRs with tax deductibility for Australian activities.

Thank you for considering this submission,

Yours sincerely,

A handwritten signature in black ink, appearing to read 'G. Ogle', with a stylized flourish at the end.

Dr. Graham Ogle

Dr. Graham Ogle FRACP  
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