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TAX DEDUCTIBLE GIFT RECIPIENT REFORM OPPORTUNITIES

Thank you for the opportunity to comment on the Tax Deductible Gift Recipient Reform Opportunities Discussion Paper.

About the Illawarra Forum

The Illawarra Forum is the peak body working for community services organisations and for communities in the Illawarra and the Shoalhaven. We support community organisations, promote expertise and innovation in community development, foster industry development and advocate for social justice.

For more than twenty years, the Illawarra Forum has taken a leadership role in the local community services sector, which currently consists of more than 300 organisations across the Illawarra and Shoalhaven areas of NSW.

As part of our leadership role, we engage with those organisations to collect their opinion, expertise and recommendations.

The Illawarra Forum works closely with numerous organisations, many of which are registered charities and/or which are Tax Deductible Gift Recipients (DGRs), which provide support to vulnerable people across the region including:

- Social housing and homelessness services;
- Home Support services;
- Residential services;
- Services for people with disability;
- Services for individuals and families with multiple layers of social and financial disadvantage;
- Support for victims of domestic violence and sexual assault;
- Youth work programs;

- Community health services, including mental health and drug/alcohol services;
- Community legal centre services
- Community development and community capacity building programs.

The Illawarra Forum is pleased to note the acceptance of advocacy as a common and necessary activity for charities. While we agree that charities should understand their obligations, we do not consider that additional reporting of advocacy activities is necessary. We recommend that, rather than impose onerous recounting or listing of these activities, a simple addition should be made to the Annual Information Statement. This could be in the form of a tick-box or signed statement confirming that the organisation is aware of its obligations regarding advocacy activities, and is fully compliant. There could be provision for voluntary listing of advocacy activities, should the charity wish to publicly disclose them.

The Illawarra forum is generally supportive of reforms which remove red tape and are therefore supportive in principle of the proposals to transfer the administration of the four DGR Registers to the ATO and to remove the public fund requirements for charities and allow organisations to be endorsed in multiple DGR categories. These proposals would appear to reduce costs related to regulatory compliance.

The introduction of a rolling review of DGRs appears to be a sensible recommendation. We would caution that the reviews should be as unobtrusive as possible, and not be onerous or expensive for organisations. Since most organisations would be fully compliant, a desk audit should be sufficient in the majority of cases. Should the reviews be introduced, a fair and equitable method must be used for selecting those DGRs to be reviewed first e.g. alphabetical order, or oldest to newest.

Thank you for the opportunity to comment on the Tax Deductible Gift Recipient Reform Opportunities Discussion Paper. Please feel free to contact this office for further information.

Sincerely,



Nicky Sloan
CEO