



RFSA

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3 August 2017

Senior Adviser
Individual and Direct Tax Division
The Treasury
Langton Crescent
PARKES ACT 2600

Email: DGR@Treasury.gov.au

Dear Sir/Madam,

Tax Deductible Gift Recipient Reform Opportunities

In response to The Treasury's Discussion Paper on Tax Deductible Gift Recipient Reform Opportunities, the NSW Rural Fire Service Association wishes to submit the following submission.

The submission provides an introduction to the Association and responds to the matters raised in the Discussion Paper, including other related matters.

I trust The Treasury will find this information useful.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Bernard Cox".

Bernard Cox
Chief Executive Officer

Supporting Our Members To Protect The Community



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Submission

Discussion Paper – Tax Deductible Gift Recipient Reform Opportunities (The Treasury – Individuals and Indirect Tax Division)

Introduction

The NSW Rural Fire Service Association represents over 74,000 members of the NSW Rural Fire Service and provides grants for brigades, groups of brigades and Districts, scholarships, sponsorships, advocacy and chaplaincy/welfare support. It was established over 20 years ago and has developed an excellent and respected working relationship with the NSW Rural Fire Service, NSW Parliament, Local Government Councils, NSW Farmers Association, NSW State Emergency Service Volunteer Association and other emergency service agencies through well-established and effective consultative arrangements.

The NSW Rural Fire Service Association is a large Not-For-Profit Charity, registered with the ACNC. In 2012, the Association established a Not-For-Profit company NSW RFSA to fund the objectives and activities of the Association. The Association is funded largely through the operation of fundraising raffles to the public of NSW. The NSW RFSA is currently working towards an application for DGR status.

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The Association therefore, is well placed to comment, in an informed and balanced manner on the potential reforms identified in the discussion paper and welcomes the opportunity to provide this submission.

Consultation Questions presented in the Discussion Paper

- 1. What are the stakeholders' views on a requirement for a DGR (other than government entity DGR) to be a registered charity in order for it to be eligible for DGR status. What issues could arise?**

Response: The Association supports the requirement that all DGRs be charities registered with the ACNC (other than government DGRs). This facilitates the ACNC being the body responsible for the regulation of all Not-For-Profits, Charities and DGRs.

- 2. Are there likely to be DGRs (other than government entity DGRs) that could not meet this requirement and, if so, why?**

Response: Given the generous tax concessions that DGRs receive through the receipt of tax deductible donations from taxpayers, the requirement for transparency and appropriate governance standards is met by registration with the ACNC.

- 3. Are there particular privacy concerns associated with this proposal for private ancillary funds and DGRs more broadly?**

Response: The ACNC has existing options that address privacy concerns. Again, the value of transparency and appropriate governance standards is of greater importance, and is met by registration with the ACNC.

- 4. Should the ACNC require additional information from all charities about their advocacy activities?**

Response: The ACNC has existing guidelines on advocacy that apply to NFPs and charities. The Association is of the view that the existing disclosure requirements through the Annual Information Statement and Governance documents are sufficient.

- 5. Is the Annual Information Statement the appropriate vehicle for collecting this information?**

Response: See Question 4.

- 6. What is the best way to collect the information without imposing significant additional reporting burden?**

Response: See Question 4.

7. What are stakeholders' views on the proposal to transfer the administration of the four DGR Registers to the ATO? Are there any specific issues that need consideration?

Response: The Association is of the view that the ACNC is the appropriate government agency to administer the DGR Registers. As required, the ACNC would liaise with the ATO, and relevant government agencies to determine new additions to the DGR Registers.

The ATO is the Government's principal revenue collection agency, and there is a possible conflict in the ATO acting as the determining agency of DGR status.

8. What are stakeholders' views on the proposal to remove the public fund requirements for charities and allow organisations to be endorsed in multiple DGR categories? Are regulatory compliance savings likely to arise for charities who are also DGRs?

Response: The Association supports the proposed action. There will be regulatory compliance savings for DGRs as a result of removing the requirement for a public fund.

9. What are stakeholders' views on the introduction of a formal rolling review program and the proposals to require DGRs to make annual certifications? Are there other approaches that could be considered?

Response: The Association is of the view that DGRs should certify they meet DGR eligibility requirements at each Annual Information Statement submission.

The ACNC has existing compliance powers for NFPs and charities that would be extended to all DGRs. These existing compliance powers negate the introduction of a new system of formal rolling reviews.

10. What are stakeholders' views on who should be reviewed in the first instance? What should be considered when determining this?

Response: See Question 9.

11. What are stakeholders' views on the idea of having a general sunset rule of five years for specifically listed DGRs? What about existing listings, should they be reviewed at least once every five years to ensure they continue to meet the 'exceptional circumstances' policy requirement for listing?

Response: See Question 9.

12. The Association has no comment on Question 12.

13. The Association has no comment on Question 13

14. Other Comments.

There are many charities looking to fundraise from the general public, and DGR status is valuable in encouraging philanthropy and support for the NFP sector.

The environment is made more competitive by government entity DGRs that are not charities, and therefore not under the same scrutiny of the ACNC.



Bernard Cox
Chief Executive Officer