

Senior advisor  
Individual and indirect Tax Division  
Langton Crescent  
Parkes  
ACT 2600

The Queensland Families and Communities Association (QFCA) as the peak body for Queensland neighbourhood and community centres welcomes the opportunity to respond to the discussion paper on Tax Deductible Gift Recipient Reform Opportunities.

The Queensland Families and Communities Association (QFCA) supports the responses from the Australian Neighbourhood Houses and Centres Association (ANHCA) to the Discussion paper on Tax Deductible Gift Recipient Reform Opportunities.

The Queensland Families and Communities Association (QFCA) agree with the aim of the reforms outlined in the Tax Deductible Gift Recipient Reform Opportunities discussion paper;

1. To strengthen the governance arrangement around DGR;
2. To make the application process easier and more accessible for organisations; and
3. To ensure that the currency of DGR eligibility is maintained.

The Queensland Families and Communities Association (QFCA) wish to echo the discussion proposed in the Australian Neighbourhood Houses and Centres Association (ANHCA) response regarding eligibility. In Queensland, the Queensland Families and Communities Association (QFCA) are aware of member centres in receipt of DGR status and others not. The inconsistency regarding DGR eligibility is very confusing and frustrating for our members within the sector. The inclusion of the terminology 'prevention of poverty' in the definitions under PBI status as outlined via the Australian Neighbourhood Houses and Centres Association (ANHCA) would be most agreeable to our organisation and our members.

## Summary of consultation questions

1. *What are 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?*

QFCA supports the requirement for a DGR to be a registered charity. This extra layer of regulation supports our centres and encourages the not for profit organisations in ensuring quality governance and accountability.

If the processes are transparent and fair regarding eligibility, there should be no issues.

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

QFCA is not in a position comment on specific DGR's.

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

None that QFCA are aware of at this time.

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

As part of the ACNC governance standards one would expect charitable organisations are adhering to these standards and if so advocacy would automatically be an element of core business, as such it should not need specific mention.

Charities should be able to share the wealth of the work they do including all aspects of their charitable work. This would include advocacy. Advocacy is not a separate entity to the role of charitable work it is intrinsically linked within the role of charity as we deal with the most vulnerable within any society and/ or environment.

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

It would appear to be the appropriate vehicle to collect all information.

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

If we expect charities to separate every task of each and every activity this would be burdensome for the charities but also for ACNC.

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?*

The Queensland Families and Communities Association (QFCA) would endorse the comments via the Australian Neighbourhood Houses and Centres Association (ANHCA) that this would appear to be a much more efficient arrangement than the current one.

"The proposed process is streamlined and consistent, regardless of the organisation's purpose. The ACNC becomes a main point of contact for more than one function, with information sharing between Agencies resulting in reduced impost on the charitable organisation.

Introducing standard reporting requirements may be an adjustment for some DGRs if they are not already registered with the ACNC, and do not have the processes and systems in place to report to the ACNC as required to maintain registration.

This Discussion Paper clearly states that the eligibility for DGR status is out of scope. It is hoped that the process of applying and the edibility criteria are easier to understand and more consistent as a result of these reforms. How the scheme is administered is of lesser concern to our Network than how to navigate the application process, as well as our concerns that the eligibility requirements are too narrow, and that some Neighbourhood Houses with similar roles and activities have gained DGR Status while others have not with very similar applications. In our view the application process is too dependent on the particular perspective of the assessor and this must change through this reform.

Again we would state, that the crucial change that needs to be visited, even if outside the scope of this narrow reform paper, is including the concept of prevention of poverty into the criteria for a PBI." (ANHCA response to discussion paper)

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?*

This follows the aim to make the process easier and more accessible, so QFCA agree.

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?*

The formal rolling review may not be necessary if all DGR's are required to make annual certifications.



Supporting our members to build Community  
Queensland Families & Communities Association

Queensland Families and  
Communities Association Inc

ABN 55 675 124 337

07 4055 6440

E: eoccfns@gmail.com

As far as QFCA are aware all their member organisations are already subject to annual certification via ACNC.

Registration with ACNC as a compulsory measure is an appropriate step to ensuring greater recording and accountability via the ACNC and ATO. The proposal of desk top reviews based on annual certification and scrutiny of information to ensure standards are met would appear to be a positive process for DGR's. If there are discrepancies then a review would be necessary.

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

If a not for profit organisation is not adhering to the standards of governance and accountability then they should be reviewed.

The review should take place as soon as issues are identified with the organisation.

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?*

The Queensland families and Communities association (QFCA) is not in favour of a 'general sunset rule'. If a process to ensure DGR's complete an annual certification that ACNC / ATO can monitor and manage via desk top reviews with the option to instigate a formal review if necessary; then the concept of 'general sunset rules' would appear to be overly cumbersome. QFCA would not agree with any system which requires having to re-apply, especially given the significant difficulty our sector has experienced in making such applications.

The Queensland Families and Communities Association (QFCA) would endorse the comments via the Australian Neighbourhood Houses and Centres Association (ANHCA).

"In principle, it is important that eligibility for DGR be regularly reviewed to maintain integrity and trust through transparency. However, any such review should not lead to a cumbersome and over burdensome administrative process that may disadvantage the small organisations such as volunteer governed Neighbourhood Houses, or the ANHCA DGR Fund compared to larger charities with greater capacity to respond. As a registered charity, we are already required to make an annual certification through ACNC. Our current accountability to ACNC provides an annual certification that we continue to operate with the same mission and core business as previous years" (ANHCA response to discussion paper)

12. *Stakeholders' views are sought on requiring environmental organisations to commit no less than 25 per cent of their annual expenditure from their public fund to environmental remediation, and whether a higher limit, such as 50 per cent, should be considered? In particular, what are the potential benefits and the potential regulatory burden? How could the proposal be implemented to minimise the regulatory burden?*

The Queensland Families and Communities Association (QFCA) does not believe it is appropriate for them or any other organisation to direct or interfere with another bodies annual expenditure. It is between an organisation and their funders to discuss the implications and/or limitations of agreed funding.

The Queensland Families and Communities Association (QFCA) would endorse the comments via the Australian Neighbourhood Houses and Centres Association (ANHCA);

“The deliberate targeting of Environmental NGOs in this review concerns us especially when coupled with sunset clauses and/or regular reviews. If a governments’ particular concern with a section of the “DGR Community” mean that reviews can target them over other NGOs because their interests do not align or directly clash with a government, this is of great concern. The principle of limiting the right for advocacy through this review would concern us. It is a concern that it may cement the principle of “advocacy” being precluded which greatly tramples the principle of free speech.” (ANHCA response to discussion paper)

13. Stakeholders’ views are sought on the need for sanctions. Would the proposal to require DGRs to be ACNC registered charities and therefore subject to ACNC’s governance standards and supervision ensure that environmental DGRs are operating lawfully?

The Queensland Families and Communities Association (QFCA) are supportive of all charities completing annual certification with ACNC. The targeting of a specific charity type should not be the issue, but rather the inclusion and accountability for all charities. Overview by the ACNC should provide adequate scrutiny. The ACNC already has sanctions for non-compliance.

Tomas Passeggi  
President  
Queensland Families and Communities Association  
PO Box 260 Smithfield Qld 4878



02.08.2017