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### **Potential reforms to the Deductible Gift Recipient (DGR) tax arrangements**

Thank you for the opportunity to provide comment on the potential reforms to the Deductible Gift Recipient (DGR) tax arrangements

Suicide Prevention Australia (SPA) is the peak body for the suicide prevention sector in Australia; our mission is to deliver national leadership for the meaningful reduction of suicide in Australia; we are a registered charity under the ACNC.

I apologise for this late submission.

Specific comment on the Consultation Questions is appended to this letter.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Susan Murray'.

Susan Murray  
Chief Executive Officer

## Potential reforms to the Deductible Gift Recipient (DGR) tax arrangements

The paper outlines a number of proposals to strengthen the DGR governance arrangements, reduce administrative complexity and ensure that an organisation's eligibility for DGR status is up to date.

Suicide Prevention Australia (SPA) supports recommendations that are designed to simplify and streamline the system for deductible gift recipients.

### Strengthening Governance Arrangements

#### Issue 1: Transparency in DGR dealings and adherence to governance standards

##### 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?*

SPA supports the proposal that endorsed organisations should be registered charities and be subject to the regulations under the Australian Charities and Not-for-profits Commission Act 2012 and associated instruments

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

No comment.

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

No comment.

#### Issue 2: Ensuring that DGRs understand their obligations, for example in respect of advocacy

##### Consultation questions

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

Australian charities can undertake advocacy to further their objectives, for example in approaches to governments on policy proposals and decisions; this is an essential part of their work; in 2010 The High Court in the [Aid/Watch](#) case held that charities engaging in political debate is an essential part of advocacy work and very much in the public interest.

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

See Question 4.

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

See Question 4.

## Reducing Complexity

### Issue 3: Complexity for approvals under the four DGR registers

#### **Consultation question**

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?*

This proposal is supported, as it should realise a simpler process to approve and monitor DGR status.

### Issue 4: Complexity and red tape created by the public fund requirements

#### **Consultation question**

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?*

No comment.

## Integrity

### Issue 5: DGRs endorsed in perpetuity, without regular and systemic review

#### **Consultation question**

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 Discussion Paper does not provide a case for this proposal; is there evidence of across the board anomalies in the DGR status of entities?

Additional review and reporting will add to the administrative burden on charities, and while we recognise the need for accountability and transparency, the use of additional reviews should only be considered where there is evidence of abuse in DGR status by the entity.

The use of template review materials will assist in reducing the burden on those entities required to undertake a review under any new proposal.

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

No comment.

### Issue 6: Specific listing of DGRs by Government

#### **Consultation question**

11. *What are stakeholders' views on the idea of having a general sunset rule of no more than five years for specifically listed DGRs? What about existing listings, should they be reviewed at least once every, say, five years to ensure they continue to meet the 'exceptional circumstances' policy requirement for listing?*

A sunset rule is supported however this should be extended to ten years not five.

Parliamentary Inquiry into the Register of Environmental Organisations

**Consultation question**

*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?*

In principle SPA does not support activity audits beyond normal compliance with charity law and ACNC requirements. Charities are best equipped themselves to determine how monies are allocated, consistent with their objectives.

*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?*

No comment.