

Tax Deductible Gift Recipient Reform Opportunities - Discussion Paper 15 June 2017.

Consultation questions

1. I agree that an organisation should be a registered charity to be able to receive DGR status. An organisation may currently have DGR status but not fall within the definition of being a charity.
2. There may be an issue for funds such as school building funds and approved research institutions as these are not charities but have DGR status. There may also be an issue with environmental organisations which have DGR status but are not charities.
3. Yes there are privacy concerns are there will be a requirement for more information to be public. This could have a direct impact on the privacy of individuals and private ancillary funds as they could be targeted by other charities, organisations and people in a negative way. However if ACNC removes this private information at the request of an individual then this should not be able to happen. ACNC will need to ensure that it is easy for individuals to make this request and that information is not uploaded without consent. However withholding this information may have an impact on the view of the transparency of the ACNC.
4. Yes charities should need to report this information to assist ACNC with ensuring the organisation falls within the definition of a charity.
5. The Annual Information Statement is an initial appropriate method for collecting this information. There may need to be further reporting for organisations which are in industries which have high advocacy activities. This information could be collected on an additional form which could be available via the internet. There could also be an option to provide the information through the business portal with the information required to be submitted within a six month period.
6. To have the additional information collected through the Annual Information Statement would be simple to comply with. The easiest way to collect this information would be through multiple choice answers with an option of including additional information where required.
7. Transferring the administration to the ATO should allow more consistency as it is being addressed by one organisation rather than four. There is the concern it will be a burden on the ATO and may have an impact on other areas within the ATO. There is also concern on the level of expertise and understanding of the ATO staff processing these applications.
8. The public fund requirement should be removed and organisations should be able to register for multiple categories without facing additional administrative issues. There is an expectation that costs in time and resources would decrease due to less reporting issues.
9. A formal rolling review program needs to be implemented to increase perception of the community and to ensure organisations are eligible for DGR status. The inclusion of a certification in the annual information statement is a simple way for organisations to confirm their eligibility. This option would also not be a burden on the organisation, ACNC or ATO. The ATO or ACNC could do reviews at specified yearly intervals to ensure the information provided by the organisation is correct. This could also be implemented into the audit process for organisations which are required to have their financial statements audited by external auditors.
10. Organisations which are not forthcoming with information and are late lodgers for ATO and ACNC compliance. Also, organisations whom are in industries which are changing fast or are known for having higher advocacy.

11. Having a general sunset rule is good as it ensures that organisations are required to be reviewed before continuing their DGR status. Existing listings should be reviewed every five years minimum, more likely every three years to ensure compliance is being met.
12. A higher limit should be brought in as charities should be required to ensure they are contributing to practical outcomes and not just advertising. The potential benefits of having a higher limit would mean more funding would be used to achieve outcomes. This would also allow the ACNC or ATO to easily identify organisations which aren't charitable as they would not be meeting the required targets. There would be an increase in reporting responsibilities for these organisations which could cost them in time and resources. However organisations should already be reporting for different projects and jobs separately to ensure their financial stability. Most accounting software packages offer the ability to allocate different job codes for different projects being undertaken. Organisations could be required to submit the information they already to be reviewed by the ACNC.
13. There would be greater chance that organisations would be complying as they would be subject to greater governance standards. However if an organisation doesn't want to operate lawfully then they may continue to do so.