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## WPF Submission concerning the Discussion Paper on Tax Deductible Gift Recipient Reform Opportunities

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Thank you for the opportunity to contribute to the DGR Reform process and its implications for charities. Women's Plans Foundation (WPF), as a registered charity with DGR status, has chosen to comment on consultation issues 4,5,6,9 and 10.

### Introductory comments

Women's Plans Foundation wishes to

1. **Reaffirm the importance of transparency of purpose and reasonable accountability of all charities with DGR status** in order for us to retain credibility with and confidence of donors, constituencies and the tax paying public.
2. **Confirm our support for the definition of current purposes of charities in the Charities Act 2013** including purpose 12.1.1 which identifies as a legitimate purpose of a charity

"promoting or opposing a change to any matter established by law, policy or practice in the Commonwealth, a state, territory or another country, if

- i) in the case of promoting change – the change is in furtherance or in aid of one or more of the purposes mentioned in paragraphs a) to k);  
or
- ii) in the case of opposing a change – the change is in opposition to, or in hindrance of, one or more of the purposes mentioned in those paragraphs."

We also endorse and consider helpful the further explanation of what purpose 12.1.1 does and does not include in the Advocacy Guidelines of the ACNC and would like to see those guidelines more easily accessible.

3. **Emphasise the importance of our continuing freedom to exercise advocacy** to further the achievement of legitimate purposes of charities. Advocacy can promote both continuity of valuable ideas and practices and inspire innovation. Charities have a proud history of innovation in the design and delivery of

services, relieving governments of the role of trialling interventions and measuring outcomes.

Buttressed by the findings of sound international research, our organisation advocates linking reproductive health, gender equity, community well-being and national and global sustainability through provision of family planning. This approach to advocacy has proved to have great immediate and cumulative benefit and to help reframe community understanding of contraception. The concept of contraception has been controversial in the past but advocacy has enlarged understanding of contraception as a responsibility of parenthood with wide ranging implications and benefits for individuals, families and communities at local, national and global levels.

4. **Support the continued leadership of the ACNC in registering, managing and monitoring charities.** The ACNC provides valuable guidance and services to charities and has a sound understanding of the charities sector, the benefits it delivers to the Australian population and the importance of transparency and accountability.

## Comments on specific consultation questions

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

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

**And**

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

WPF acknowledges that, over time, the purposes of some charities may change in ways that may place them outside the legitimate purposes of charities as defined by the Act. WPF supports accountability and transparency of purpose to ensure the continuing integrity of the system, our place as a charity within that system and the continuing confidence of those who directly contribute to our charity and the community more broadly through DGR tax concessions.

WPF is therefore comfortable with routinely providing up to date information about the purposes it serves including purpose 12.1.1 as long as the reporting requirements, especially for small charities, are minimal. We consider that a tick box method in each Annual Information Statement by which each charity reports against the purposes identified in the Act is appropriate. We also consider that charities should be required to confirm that they are not pursuing purposes that would disqualify them as charities e.g. as defined in clause 11 of the Act. WPF considers it to be neither feasible nor useful to describe all advocacy activities that it undertakes since these can occur in a wide variety of ways: through meetings key stakeholders, at fund raising events, through submissions and so on.

To assist Charities to confirm their purposes (especially in relation to the legitimacy of their advocacy activities) it would be helpful to have a link to the ACNC Advocacy Guidelines in the Annual Information Statement when downloading it. It would also be

helpful if these guidelines were included in the list of tools and resources for charities. Currently it seems that one can only access them by the circuitous route of first going to definition of purposes and then going to a further link.

As part of routine monitoring of charities and on the basis of other information that might come to its attention, ACNC could seek to disqualify a charity that made false claims in relation to its activities in pursuit of charitable purposes. Any such moves to disqualify a charity would need to be made on the basis of soundly verified information and accompanied by an administrative appeals process.

Charities have multiple reporting obligations and it is important that the reporting burden be minimal and commensurate with the purposes it serves. WPF applauds the continuing efforts of ACNC to streamline accountability requirements across ACNC, ASIC and state governments.

### **Issue 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?**

As previously noted WPF favours continuing accountability of charities with DGR status to reassure donors and to respect the tax concessions available, courtesy of Australian taxpayers. WPF considers the Annual Information Statement (with the additional information concerning current purposes of the charity referred to in our discussion of issues 4,5,and 6) to be a suitable form of certification.

WPF supports the proposed approach of desk top reviews of DGRs with the option of requiring further information from a DGR should questions arise. The discussion paper refers to the possibility of such reviews being undertaken by the ACNC and/or ATO. We consider it critical that primary responsibility be with the ACNC for those aspects of the reviews that concern whether charities that have DGR status continue to comply with the purposes of charities as set out in the Charities Act and that they continue to comply with requirements established by the ACNC.

WPF has no strong views on how the review process should be conducted except that, as for the Annual Information Statement, it should impose minimal burden on them unless something untoward has been identified.

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

WPF has no strong views on who should be reviewed in the first instance except to say that a balanced selection should be made across DGRs serving a wide range of different purposes. This is important to ensure the integrity and fairness of the entire DGR system. Under the current arrangements the selection should traverse DGRs on all four DGR registers. If the DGR registers are combined as proposed, then the selection should be made to encompass all types of purpose such as those defined in the Charities Act, and certainly not just those with environmental purposes.

Beyond that, we would expect that, when establishing the review process, best practice auditing standards would be applied using a combination of risk assessment and randomisation for selection of more in-depth reviews, accompanied by low key desk review monitoring of all charities, to the extent that resources allow.