

Consultation

Tax concessions for the not-for-profit sector

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Are you submitting on behalf of your Company

Yes

Do you want your submission to be confidential

No

Accessibility Statement

Yes

Submission files**Support files****Submission text**

Connecting Up Inc. would like to respond to the consultation paper, Fairer, simpler and more effective tax concessions for the not-for-profit sector.

Among the questions raised in this paper is the issue of Deductible Gift Recipient (DGR) status. Our organisation has been disadvantaged by the current system of determining DGR eligibility. Our situation is outlined below. We therefore support Item 2.3.1, no 62, on page 22, in which the Productivity Commission recommends extending DGR status to all tax endorsed charities.

Connecting Up Inc. has applied in the past to be listed by name by the Australian Taxation Office (ATO) as a Deductible Gift Recipient (DGR). While incorporated as an Association in South Australia and endorsed as an Income Tax Exempt (ITE) organisation by the ATO, we are currently unable to offer tax deductibility to members of the public, businesses or philanthropic institutions. This severely restricts our ability to maintain a sustainable level of income to support the vital work we are doing in capacity building, community information and community technology for charities and not-for-profit organisations across Australia.

Connecting Up has operated as a community-based organisation since 1981. We have been pioneers and innovators in ensuring the public has access to accurate information about the services available to them and that the charitable and not-for-profit sector are able to meet the growing demands of the information age and the digital economy.

Our activities do not fit the traditional ATO categories for approval as a Deductible Gift Recipient-approved organisation, because we 'help the helpers', rather than provide direct

relief to the individually disadvantaged in our community. This means that vital community-focused programs (often seed-funded by government departments) struggle to be sustainable because corporate, philanthropic and public donors are reluctant to contribute (despite their acknowledgement of the strong merits of our case) because of their inability to then seek a tax deduction for their contribution.

Organisations somewhat similar to Connecting Up that have received DGR listing in recent years have included Nonprofit Australia and Social Ventures Australia.