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## RESPONSE TO THE NOT FOR PROFIT SECTOR TAX CONCESSION WORKING GROUP

### Introduction

Road Safety Education Limited (RSE) is a not for profit, health promotion company, established to contribute to the reduction of trauma on our roads providing education programs by creating supportive environments for better informed decision making through the delivery of quality, evidence-based road safety education programs. RSE operates in each stat of Australia and in the ACT.

The Not For Profit Sector Tax Concession Working Groups' scope is, in part, to "examine the range of tax concessions provided to the NFP sector in terms of their fairness, simplicity, and effectiveness.

### Income tax

As a not for profit company, RSE is afforded income tax concessions and is exempt from income tax under Div 50 of the Income Tax Assessment Act 1997. This is highly beneficial, simple to administer and provided across the broad spectrum of not for profit organisations and accordingly is fair.

### Fringe Benefits Tax

RSE is also eligible for Fringe Benefits Tax rebates, but given the complexity and cost of administration for the small benefit to RSE, RSE does not access this concession.

### Deductable Gift Recipient status

What is of great concern to RSE is that RSE is unable to secure Deductable Gift Recipient (DGR) status, despite being clearly a health promotion and education not for profit entity. RSE believes that the criterion for achieving DGR status is not fair across the sector.

By way of illustration, we are aware of a not for profit organisation providing a similar road safety education program that does in fact have DGR status: How? Because their activities are run through a hospital. Clearly RSE is at a disadvantage in being able to access donations, despite the similarity of purpose and activity. This illustration alone, demonstrates a lack of fairness and absence of robust policy.

Despite the charitable purpose and activity of health promotion through education of RSE, prospective donors frequently decline to donate to RSE once they learn that RSE does not hold DGR status.

**Submission**

RSE is missing out on donated funds through an inequity of policy. We strongly question the efficacy of current policy (and its administration), and submit that in the absence of a robust policy in relation to DGR status, designed and confined to appropriate charitable purposes and activities, the current policy is unfair, inconsistent and arbitrary and fails the public interest.

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