

Dear Sir/Madam,

Re: Discussion Paper - Not For Profit Sector Tax Concession Working Group

Our organisation is very interested in being involved in and contributing towards the final report that the working group are preparing on the above topic. Due to time constraints we have not been able to prepare a full report as we wished however, please accept below a summary of matters we believe are of importance to both ourselves and the sector as a whole in helping all organisations operate to their full potential under sometimes difficult and challenging circumstances:

- FBT concessions must not be phased out, nor should they be limited to non-remuneration benefits;
- FBT/salary incentives must continue to assist NFP's attract and retain good staff. It should be ensured this is only claimable from one employer and applications of funds saved (from ceasing multiple claims) could be re-allocated (theoretically) into provisions linking the FBT incentive with the CPI or at least commencing a regular view on the value of the cap;
- Meal/Entertainment card could be perceived as unnecessary and the if the funds currently claimed were redirected into a fairer FBT/salary incentive it is logical to suggest a revamp of those provisions which including an immediate and generous increase in the limit would ultimately benefit more people across the sector;
- All NFPs should be entitled to claim a refund of franking credits regardless of their ability to apply the credits;
- Assessment criteria should be established for deductible gift status and it is foreseeable that not all charities would satisfy the criteria which could for instance have a 'public good' test based on purpose and intent (rather than a strictly financial test);
- A centralised clearing house for donations does not seem attractive as it would cost money to establish and operate, it is foreseeable that accounting and administration tasks and costs for charities and NFPs would increase (as well as double reporting as most larger NFPs already have annual financial statements and auditing requirements) and may create a sense of a loss of control of funds and the possibility of reporting errors;
- Property gifting provisions are complex and difficult to understand which discourages both donors and recipients and simpler rules would be of great benefit;
- In-kind provisions are complex and difficult to understand and simpler rules would be of great benefit;
- Testamentary provisions are complex and difficult to understand the process could be simplified and more transparent;

We would welcome the opportunity to further contribute to your report should you be seeking further consultation from organisations in the sector please contact us on (02) 9550 5244.

Kind regards,

Lisa

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