

Ms Linda Lavarch, Chair
NFP Sector Tax Concession Working Group Secretariat
The Treasury
Langton Crescent
PARKES ACT 2600

17th December 2013

Dear Ms Lavarch,

The Australasian Society of Association Executives (AuSAE), aware that many are already putting in extensive submissions on a variety of issues, have opted to instead send a letter highlighting some of the issues we see as key to this process.

While AuSAE agrees with guiding principles of the working group, we note that the Not for Profit (NFP) sector does not work on a level playing field as stated in the REASONS FOR LIMITING TAX CONCESSIONS section of the discussion document.

The current tax concessions assist in providing a financial environment where services can continue to be provided and any reduction in this will see limitations applied. Age and salary levels in the NFP are significantly lower than in the for-profit sector of the economy. In addition, NFP surpluses are generally not as high as profits and therefore resources are limited when compared to the for-profit sector.

We note from some of our members that they are asking for an increase to the minimum tax deductibility from \$2 to \$25. This would assist to potentially increase the average amount donated; and ensure that administration costs are covered when charities are producing invoices to allow a tax deduction.

We also support increasing the minimum tax deductibility, but highlight the importance that the minimum amount should remain within reach of the normal individual donor. We would recommend that the minimum tax deductibility amount be carefully considered as we believe \$25 to be a little high.

We ask that the process of applying for and administering the Deductible Gift Recipient (DGR) status be easy, clear and fair. Red tape and un-empowered staff at the ATO often limit the ability of associations to qualify and administer the rules. This greatly increases the cost burden for applicants who are forced to use legal and accounting firms to navigate the ATO maze.

We ask that the size of organisations and their capacity be reflected in any new structure. As a principle, "red tape" should be kept to a minimum and on-line solutions should be offered where possible.

AuSAE feels the Government should not be excessively involved in financial transactions and a donation clearing house is an un-necessary cost to taxpayers. We would prefer an external guidance and oversight role instead.

Thank you for the time to consider our comments. Should you wish to discuss this further please contact me on the details below.

Yours sincerely
Tony Steven
President
AuSAE