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Sent via email: [dgr@treasury.gov.au](mailto:dgr@treasury.gov.au)

To whom it may concern

**Re: Tax Deductible Gift Recipient Reform Opportunities Discussion Paper**

Thank you for the opportunity to provide feedback on the proposed changes to the operation of deductible gift recipient (DGR) status in Australia. The not-for-profit sector, particularly charities, provides a range of essential services to the Australian community and delivers strong value for money. The funding that can be sought through a DGR status plays an important role in the ability of many of these organisations to provide crucial services that often cannot be delivered by Government.

ACON is Australia's largest community based lesbian, gay, bisexual, transgender and intersex (LGBTI) health and HIV/AIDS organisation. Incorporated in 1985 as the AIDS Council of NSW, our mission is to enhance the health and wellbeing of our communities by ending HIV transmission and promoting the lifelong health of LGBTI people and people with HIV.

We welcome moves to make the process of applying for, and managing, DGR status more streamlined. The consolidation of administration to the ATO, as well the requirement to be registered with the ACNC appears to be appropriate and proportionate. This will ensure that all organisations with DGR status are operating under the same regulatory framework, which is likely to also create cost savings for Government.

Additionally, we are supportive of processes to ensure that the DGR status of organisations remains appropriate, should this be implemented in a careful and constructive manner. A formal process that is required on a yearly basis is disproportionate, given that it is rare for an organisation to change so radically in such a short period. The proposed rolling five year checks performed by the ATO may be an appropriate mechanism for ensuring that DGR status remains appropriate, while encouraging organisations to perform self-checks in the meantime.

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We note that under the *Charities Act 2013 (Cth)*, that advancing public debate is recognised as a charitable purpose. In this context, the rationale for requesting more information specifically on this purpose, rather than other purposes in the Act is unclear. Many organisations, whether their primary charitable purpose is advocacy or not, seek to make changes to public policy in order to meet the needs of their communities or cause. In our context, a range of laws, regulations and policies have direct impact on our community's health and wellbeing, as well as our ability to address their needs.

No strong rationale has been provided for the requirement to request further information on advocacy actions by DGR listed organisations, or that advocacy actions are out of step with community expectations. We do not believe that such a requirement should be necessary, as the ACNC will have responsibility for ensuring that all charities are acting for their stated charitable purposes, along with the ATO providing the periodic reviews of DGR status.

Indeed many organisations are regularly requested to participate in the development of public policy or law reform by both Government ministries/departments and Members of Parliament.

ACON is not an environmental organisation, however the proposed 25% requirement for organisations to undertake particular prescribed activities is concerning at a principle level, including how it could be applied to other organisations with DGR status in the future. Governments attempting to control how organisations undertake legal charitable purposes would create a significant bureaucratic burden for both organisations and for Government.

Thank you again for the opportunity to respond to the proposed reforms. Should you require any further information please contact James Gray, Associate Director, Policy, Strategy and Research, on 02 9206 2041 or [jgray@acon.org.au](mailto:jgray@acon.org.au).

Kind regards



Nicolas Parkhill

**Chief Executive Officer**