

DGR CONSOLTATION SUBMISSION

From: Alastair Abbott; Registered Company Auditor, Chartered Accountant, M. Forensic Accounting

	Question	Response
1)	What are stakeholders' views on a requirement for a DGR (other than government entity DGR) to be a registered charity in order for it to be eligible for DGR status. What issues could arise?	Overall this would be a positive move that would bring all DGR entities under the same governance and reporting framework and avoid unnecessary duplication of government monitoring. I don't see any particular issues.
2)	Are there likely to be DGRs (other than government entity DGRs) that could not meet this requirement and, if so, why?	None come to mind
3)	Are there particular privacy concerns associated with this proposal for private ancillary funds and DGRs more broadly?	The ACNC already has a function to allow information to be withheld from the public register. This should be sufficient to avoid privacy issues.
4)	Should the ACNC require additional information from all charities about their advocacy activities?	Overall I haven't seen this being an issue for the majority of ACNC organisations, and hence I'd suggest not adding additional reporting burden
5)	Is the Annual Information Statement the appropriate vehicle for collecting this information?	If collection of further information is needed, then the AIS is a good vehicle to use.
6)	What is the best way to collect the information without imposing significant additional reporting burden?	Additional questions in AIS.
7)	What are stakeholders' views on the proposal to transfer the administration of the four DGR Registers to the ATO? Are there any specific issues that need consideration?	Overall a good idea to have all DGR registered in the same way and with the same reporting requirements.
8)	What are stakeholders' views on the proposal to remove the public fund requirements for charities and allow organisations to be endorsed in multiple DGR categories? Are regulatory compliance savings likely to arise for charities who are also DGRs?	Yes, it is a good idea and may result in minor compliance savings

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9)	What are stakeholders' views on the introduction of a formal rolling review program and the proposals to require DGRs to make annual certifications? Are there other approaches that could be considered?	<p>This is an important change. While the ATO recommends the annual self-review, it is not commonly used and change of board members over time can easily lead to an organisation focusing more effort on different objectives. For many organisations a simple desktop review is all that would be required with no further action needed.</p> <p>It is an important integrity measure in the industry that tax concessions are not issued in perpetuity, but that there is a review process.</p> <p>One alternative approach could be for DGR status to be issued with a 5 year life, that it would require the organisation to complete a simplified reapplication process to continue having access to the concessions. And that way if the organisation didn't reapply the DGR status would automatically lapse.</p>
10)	What are stakeholders' views on who should be reviewed in the first instance? What should be considered when determining this?	Based on risk factors and those that highlight with a greater likelihood of there being errors.
11)	What are stakeholders' views on the idea of having a general sunset rule of five years for specifically listed DGRs? What about existing listings, should they be reviewed at least once every five years to ensure they continue to meet the 'exceptional circumstances' policy requirement for listing?	Yes, this would be a good idea and should apply equally to new and existing DGR entities.
12)	Stakeholders' views are sought on requiring environmental organisations to commit no less than 25 per cent of their annual expenditure from their public fund to environmental remediation, and whether a higher limit, such as 50 per cent, should be considered? In particular, what are the potential benefits and the potential regulatory burden? How could the proposal be implemented to minimise the regulatory burden?	While it may be nice in theory, in practice such a requirement is not easy to implement, and also becomes an issue of interpretation of what activities fall in or out of the criteria.
13)	Stakeholders' views are sought on the need for sanctions. Would the proposal to require DGRs to be ACNC registered charities and therefore subject to ACNC's governance standards and supervision ensure that environmental DGRs are operating lawfully?	I agree that all DGR entities should be acting in a lawful manner, and DGR benefits shouldn't be provided to organisations that don't act within the law.