

INFO-PHILANTHROPY DGR PROPOSAL

Proposal

- The draft report of the Government 2.0 taskforce recommends the creation of a Foundation with DGR status. The Foundation would assist not-for-profit organisations with projects:
 - that re-use data for the public benefit, or
 - : For example, Government 2.0 has encouraged projects that combine Govt data on the broadband guarantee with Google maps, reusing data and making it more accessible for the public good.
 - enhance democratic process and public policy development.
 - : Mysociety.org, a similar UK organisation, claims to have encouraged 200,000 people to write to their MPs for the first time. Mysociety.org is a registered charity to which gift-aid donations can be made.
- It is proposed that this Foundation be specifically listed as a DGR, and able to distribute funds to non-DGRs.

Analysis

Needs to be considered in the context of AFTS and the PC report

- This recommendation should be considered in the context of other reports into taxation and the not-for-profit sector.
 - The Australia's Future Tax System review is due to provide its final report to the Government at the end of December.
 - The Productivity Commission's draft report into the NFP sector recommends the creation of a Commonwealth funded 'Centre for Community Service Effectiveness' which would provide, among other things, a publicly available portal containing evaluations and related information provided by not-for-profit organisations and government agencies.
 - : Note that this is a draft recommendation.

DGR support targeted,

- DGR support is a tightly targeted tax concession, generally provided only to organisations that provide a broad public benefit through 'hand on activities'.
- For example: not-for-profit hospitals, universities, public benevolent institutions such as the Red Cross, and overseas aid funds.
- Many charities and other not-for-profit entities are not supported through DGR.

DGRs can only give to other DGRs

- Generally, a DGR can only give to other DGRS.
- The specifically exceptions to this rule have all been quasi-Government organisations.

- Foundation for Rural and Regional Renewal, Australian Sports Foundation, Australian Cultural Fund.
- Allowing DGRs to give to non-DGRs raises significant integrity concerns, allowing deductible donations to be used for purposes outside those purposes targeted through Government policy.’
- Public Ancillary Funds provide a mechanism to collect public funds and distribute them to endorsed DGRs.

Proposal would need to be considered by Government, and would have a cost to revenue

- Treasury would have to consider the detail of any proposal.

Consideration could be given to direct funding

- If the Government is inclined to support a Foundation to encourage the re-use of data, and democratic engagement, direct funding may be more appropriate.
 - Improved accountability for Government expenditure