

4 August 2017

Senior Adviser
Individuals and Indirect Tax Division
The Treasury
Langton Crescent
PARKES ACT 2600
DGR@treasury.gov.au

Dear Sir/Madam,

**RE: Tax Deductible Gift Recipient Reform Opportunities
Discussion Paper Submission by ArtsPeak**

ArtsPeak is the national confederation of 37 peak arts organisations across Australia. Our vision is that the cultural, arts and creative industries are central to political thinking, economic priorities and civic life in Australia.

ArtsPeak welcomes the opportunity to respond to the DGR reform opportunities as set out in the Government discussion paper released 15 June 2017.

ArtsPeak sees many of the proposed reforms as useful and relevant, but we are concerned about the increased administration, particularly for small arts organisations, and the potential to limit advocacy activity, which we believe would result from the proposed changes to DGR legislation and administration.

ArtsPeak endorses the submission made by the Arts Law Centre of Australia on 1 August 2017. We agree with Arts Law's support for the simplification of the DGR process, the requirement to become a charity and the removal of the public fund. We share Arts Law's concerns with the Proposal including:

- (a) The additional reporting requirements that may be an imposition and burden on smaller non-profit arts organisations, especially those that are incorporated associations;
- (b) The additional resources required to assist in the transition for many arts organisations to become a charity, in terms of reviewing and updating their structure and purposes to align with the legislation;
- (c) The administration of the 4 DGR Registers by the ATO. In response, ArtsPeak supports Arts Law's suggestion that the administration should be conducted by the ACNC, not the ATO, and the ACNC should be able to seek expert advice when needed - for arts organisations that is the Minister for the Arts and the relevant agency;

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- (d) The potential requirement that organisations have to provide information about their advocacy activities in the Annual Information Statement to the ACNC. Despite the ACNC Advocacy Guidance there are serious concerns that additional reporting, and presumably monitoring of advocacy activities, may lead to future changes to restrict and inhibit advocacy and campaigning; and
- (e) The imposition of conducting a rolling review of the DGR every 5 years is unnecessary as information is already supplied in annual information through the Annual Information Statement.

Accordingly, ArtsPeak endorses Arts Law's support of the Proposal, provided significant consideration is given to the issues noted in Arts Law's submission at paragraph 7.1. It is submitted that the Treasurer consider the establishment of one nationally-consistent reporting regime for all DGRs under the proposed new regime. Additionally it is submitted that advocacy standards do not become stringent following the introduction of any reforms, to ensure that advocacy that is legal and abides within the ACNC Advocacy Guidance can continue.

Your Sincerely,



Nicole Beyer
Convenor, ArtsPeak

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