

3 August 2017

Senior Adviser  
Individuals and Indirect Tax Division  
The Treasury  
Langton Crescent  
PARKES ACT 2600

By email  
DGR@treasury.gov.au

Dear Sir/Madam

**Comments on the Tax Deductible Gift Recipient Reform Opportunities – Discussion Paper**

We refer to the Submission made by the Arts Law Centre of Australia on 1 August 2017 (**Submission**) in response to the Treasury's consultation paper on Tax Deductible Gift Recipient Reform Opportunities.

We provide this letter by way of notice of our support of the Submission and to notify the Treasury that we agree entirely with the contents and issues raised by the Arts Law Centre of Australia in its Submission.

**Who we are**

Museums Galleries Australia (MGA) is the national association and peak advocacy body representing museums and galleries. We encompass a wide and diverse range of national, state, regional and community museums, galleries, historic sites, botanic and zoological gardens, research centres, Indigenous cultural centres, and Keeping Places across Australia. All of our members are, however, linked by a shared dedication to the arts, movable cultural heritage and communities, and the knowledge that Australian cultural life is a dynamic ecosystem that generates creativity and contributes to the social and economic wellbeing of the country.

MGA is also a service and professional development organisation. We seek to enhance the value of Australia's collections and stories by sharing knowledge, developing skills, inspiring innovation and providing leadership and the authoritative voice in protecting and promoting our arts and cultural heritage.

With regards to the discussion paper, in particular we would like to highlight three issues that we have identified as being of prime importance to Museums Galleries Australia and the museums, galleries and other bodies that we represent.

1. **Streamlining the application and reporting process should be a primary outcome of this reform process.** In the Cultural Sector many of the DGR organisations, or organisations wishing to gain DGR status, are small under-resourced associations, often fully volunteer run, and unable to access the required knowledge and skills to undertake the extensive application and reporting requirements of the current system.

MGA supports the proposed transfer of the 4 DGR Registers, including ROCO, to one body and agrees fully with the Arts Law Centre of Australia's proposal that the 4 DGR Registers be transferred to the ACNC rather than the ATO. ATO does not have the specialised knowledge and insight to process applications from cultural sector organisations and decisions may be made that are not in the best interest of the public good, despite paragraph 43 that proposes the ATO can seek expertise from relevant government agencies where required. While the ACNC has experience with organisations from the cultural sector, where required they should still seek expert assistance from the experienced government agencies and departments.

The DGR reform process would be an opportune time to implement real streamlining to the reporting requirements for charities and not-for-profits by ensuring the DGR reporting requirement was included in the current ACNC annual reporting process.

Regular reviews would put unnecessary pressure on the resources of the registered organisations and the agency responsible for the review. Consolidating all reporting through the ACNC would eliminate the need for regular 5

yearly reviews as the information would be already available supplied through the Annual Information Statement required by all ACNC registered organisations.

2. **It is vital that this reform process does not hamper an organisation's ability to advocate.** It is often said that museums are a safe place to say unsafe things. It is vital that museums and galleries and other cultural sector organisations are encouraged to engage the public on issues that may be controversial or even against current government policy. Many arts organisations undertake advocacy which is lawful and within the guidelines set out by the ACNC. For example an exhibition or public program may challenge current government policy on social justice issues such as the treatment of refugees, and peak cultural organisations may lobby the government for better funding. These activities advance public debate and promote culture and fall within the ACNC Advocacy guidelines.

The current legislation and ACNC Advocacy Guidance is sufficient to ensure advocacy remains lawful and no further sanctions are required. Further sanctions on advocacy may hinder cultural organisations from conducting and promoting their stated charitable purpose. Findings of the House of Representatives Standing Committee on the Environment Inquiry into the Register of Environmental Organisations (REO Inquiry) should not be applied to all DGRs nor should they be allowed to promote an environment where cultural organisations are intimidated from engaging with the issues that affect their charitable purpose.

3. **Additional Resources for ACNC are required**
  - a. Support for organisations through clear guidelines, workshoping and peer support systems should be established to assist the ROCO organisations to make successful applications to become charities.
  - b. In addition access to legal services may also be required. The cost of this will severely impact organisations with minimal resources.
  - c. An appropriate timeframe (proposed 12 months in paragraph 24 of Proposal) is required.
    - i. Many arts organisations have limited resources and are operated by volunteers and managed by committees and time is needed to complete the application process.
    - ii. Also as it is estimated that 30% of ROCO organisations are not registered charities, the processing of these applications by the ACNC will require resources.

Yours sincerely



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cc: Arts Law Centre of Australia