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To: [DGR Inbox](#)
Subject: Discussion Paper Feedback - Tax Deductible Gift Recipient Reform Opportunities
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**Tax Deductible Gift Recipient
Reform Opportunities
Discussion Paper
15 June 2017**

Request for feedback and comments:

Item 5 on page 1 states that “DGRs, once registered as charities, would also have to adhere to the ACNC governance standards. If any DGR entities were not adhering to the standards, they could face revocation of their registration status, which would mean that their DGR status could be revoked by the ATO and also impact other tax concessions”.

My comments:

There appears no or little oversight from the governing body as to whether the ACNC governance standards are adhered to, particularly around related party transactions and conflicts of interest. The following must become mandatory public reporting requirements, to be listed in each Annual Report and become subject of independent audit:

1. All Directors to declare Conflicts of Interest (to provide transparency to the public)
2. All Related Party Transactions to be declared and the management process of same to be described (exposes funds being channeled to related companies / service providers)
3. Independent directors to be identified (ensures that a level of independence is in place)
4. Top 5 service providers to be listed (refer back to Item 2)
5. Executive Team to list nature of employment – ie, full time , part time, casual (to provide transparency around the drawing of ‘full time’ salaries from more than one entity)
6. Auditors to be changed at least every two years (supports transparency – avoid auditor complacency, development of relationships over time which effectively removes independent status)
7. ACNC to clarify the requirement for charities to have Members, and when / why they can operate without members. (Many charities do not have members, which effectively removes an important layer of scrutiny)

Kind regards
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