

Transform Aid International Ltd

ABN 63 430 709 718

Australian Government Tax Deductible Gift Recipient Reform Opportunities

Answers to Consultation Questions

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?

We are a registered charity with DGR status, but we suspect other non-charity DGRs might find this an onerous requirement depending on their context.

2. Are there likely to be DGRs (other than government entity DGRs) that could not meet this requirement and, if so, why?

As a registered charity with DGR status we cannot speak to the full impact of this obligation on non-DGR entities.

3. Are there particular privacy concerns associated with this proposal for private ancillary funds and DGRs more broadly?

If the reporting process proceeds via the Annual Information Statement facility, we are confident that no additional privacy concerns should arise.

4. Should the ACNC require additional information from all charities about their advocacy activities?

The ACNC should require all DGR endorsed organisations to report whether they are engaging in advocacy activities and for what purpose. To ensure that this reporting requirement does not become too onerous, a simple high level statement outlining their response should be sufficient.

5. Is the Annual Information Statement the appropriate vehicle for collecting this information?

Yes, the Annual Information Statement is the most appropriate vehicle for collecting this information so as to avoid a parallel process with unnecessary duplication presumably resulting in significant additional reporting burden.

6. What is the best way to collect the information without imposing significant additional reporting burden?

The best way to collect the information is to ask appropriate questions within the Annual Information Statement which are relevant, concise and focused.

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?

We support the proposal to consolidate administration of the four DGR registers but we would nominate the ACNC as the appropriate facilitator of the process, particularly if it is the case that all DGR's will be required to become registered charities.

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?

We fully endorse the proposal to remove the public fund requirement, and to allow organisations to be endorsed in multiple DGR categories. We agree this would reduce unnecessary duplication and administrative burden significantly.

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?

We believe the concept of a formal rolling review program is unnecessary in cases where it is clear a particular organisation is operating within the parameters of DGR status guidelines and compliance requirements. A formal review program should be reserved only for organisations at risk for non-compliance. We believe the best approach would be the inclusion of "filtering" questions in the Annual Information Statement to assess each organisation simply in the first instance, moving to a more thorough review process as required, with a view to minimising increased administrative burden on charities already clearly compliant.

We believe that requiring annual certifications – other than via questions in the Annual Information Statement – would result in the imposition of significant additional administrative burden, noting that we are already a DFAT-accredited agency and a full signatory to the ACFID Code of Conduct, and subject to regular rigorous compliance reviews.

10. What are stakeholders' views on who should be reviewed in the first instance? What should be considered when determining this?

(See answer to question 9).

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?

If a sunset rule is required for specifically listed DGRs then we believe 5 years is a suitable time frame; however we believe continuing DGR status is more appropriate for those organisations who consistently demonstrate compliance with ACNC Standards, including good governance principles and practices.

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?

As a non-environmental organisation, we do not believe it is appropriate to input.

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?

As a non-environmental organisation, we do not believe it is appropriate to input.

A Further Comment

The context to this section of the consultation paper outlines the need for DGR organisations to understand the scope of activities their DGR status allows them to engage in advocacy on. It should be remembered that there is significant overlap on a range of issues and themes connected to any one DGR endorsed organisation's primary area of focus.

Transform Aid International, for example, operates with a DGR endorsement as an overseas aid fund. Our advocacy work will cover a range of issues that organisations falling into other DGR categories will also have some interest in. Our anti-trafficking and anti-slavery advocacy has direct impacts on the communities we support overseas, but also is of interest to organisations that have a DGR endorsement for harm prevention. We advocate on environmental issues because the communities we operate in are highly impacted by changes in the environment and the pace of sustainable development. This area is also clearly an area for interest for organisations that have a DGR endorsement as environmental organisations. Our research into the labour rights practices of multinational corporations have substantial implications for the livelihoods of the communities we focus on, but are also of interest to organisations with a DGR endorsement as research institutes. These examples can of-course be multiplied. They speak to the importance of having a broad and detailed understanding of the advocacy activities of an organisation, before being too prescriptive about whether their advocacy activities fall outside the scope of their DGR endorsement.