



Victorian Comprehensive Cancer Centre
ABN 84 140 233 790

PO Box 2148, Royal Melbourne Hospital, Vic 3050
P: +61 3 8559 7063

E: grant.mcarthur@petermac.org
www.victorianccc.org.au

1 August 2017

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

Email: DGR@Treasury.gov.au

To whom it may concern,

On behalf of the Victorian Comprehensive Cancer Centre Ltd (VCCC), I would like to submit feedback to the Tax Deductible Gift Recipient Reform Opportunities consultation process. The VCCC (ABN [84 140 233 790](http://www.victorianccc.org.au)) is a Health promotion charity registered with the ACNC and not currently holding DGR status, though we may apply for this in the future.

We believe that the not for profit sector plays an important role in our society, including public education, health prevention and advocacy on behalf of those we may represent. We believe that freeing up these organisations to pursue their roles with simplified regulation through a single regulator will allow our sector to more efficiently deliver for those we represent. We believe not for profit organisations play an important role advocating for patients, consumers and other sections of the public by providing a trusted voice in public debate and do not wish to see this voice limited or regulated to reduce the impact for those we represent.

Any NFP that receives DGR status for raising funds for the public good should be accountable to the Australian people to ensure that these funds are being used for appropriate uses. This public good could mean advocacy in relation to changes of laws or regulations where NFPs represent the voice of Australians without any other collective voice to call for change.

The High Court Aid/Watch decision also notes the public benefit of advocacy and that it meets the definition of being a charity:

The majority of the Court accepted Aid/Watch's submissions that its generation of public debate was a charitable purpose because its activities contributed to public welfare and were therefore charitable.



We have been impressed with the approach and guidance issued by the ACNC in its early years and encourage the development of the material it produces, its consultation and consideration of the many types of organisations that it regulates. We are supportive of the ACNC being an independent "one-stop-shop" for NFP regulation.

Our responses to the various questions are outlined below and I thank you for the chance to provide feedback on the reform opportunities for our sector.

Professor Grant McArthur
Executive Director

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?

The ACNC was established to regulate the NFP sector and this seems an appropriate body to regulate both charities and the requirements for applying and holding DGR status. DGR concessions are provided for the public good and this aligns with the requirements of being a registered charity. It could allow reduced compliance and regulation for DGR status will be held by an organisation primarily concerned with the NFP sector.

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

We are not aware of any entities that could not meet this requirement.

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

We are not aware of any privacy concerns in relation to this.

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

No. ACNC guidance is clear that there are only two areas of advocacy that warrant disqualification (unlawful behaviour and opposition of a political party or candidate) and these can be monitored simply by the regulator. Adding additional compliance to all charities that often run on limited funding will not provide significant benefit.

It would be beneficial for organisations holding DGR status to be able to provide free and fair public comment in relation to policies of parties or individuals to their members, donors or the public if those policies or positions conflict with the public good mission of the organisation without fear of losing status or registration. This would allow more informed public debate in many circumstances.

We believe in the important content and opinion that the many experts in their field that work for organisations that hold DGR status can provide to public debate and would not wish to see this reduced or overtly regulated to decrease free and fair democratic debate in Australia.

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

Yes - this statement does and should collect information that is relevant and useful to the public and the regulator. Adding additional onerous requirements that might impact on the important role of the NFP or on democratic process should be avoided.

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

The annual information statement is a good means to collect any information required by regulators.

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?

Yes this appears to be a good suggestion if appropriate expertise and resources are provided for this purpose. It would allow independent regulation free of political influence in regulation. It would need to be strongly coordinated with the ACNC who might be better placed to perform this role.

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?

Yes, less reporting requirements will improve the ability for charities to fulfil their missions. We are supportive of this suggestion.

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?

Annual certification is a good governance tool and rolling reviews should be a good means to judge compliance.

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

Any NFPs who appear to be operating outside of the public good and supportive of illegal activity. Charities that perform a strong advocacy role do not meet this definition.

11. What are stakeholders' views on the idea of having a general sunset rule of no more than five years for specifically listed DGRs? What about existing listings, should they be reviewed at least once every, say, five years to ensure they continue to meet the 'exceptional circumstances' policy requirement for listing?

Agree

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?

Whilst this area is outside of our specialty area, imposition of mandatory targets for a direct course of action related to the field of an NFP but outside of their mission does not seem appropriate. We do not directly treat cancer patients nor do we directly perform research but imposing a mandatory direct course of action in our field would not seem appropriate when other NFPs or organisations perform solely these roles.

The regulatory burden for such a target would likely be problematic to measure and monitor. Definitions, the value of volunteers and other allocations of internal costs within organisations differs and consistency in the NFP sector has been impossible to achieve to benchmark areas such as fundraising costs. Accounting standards are often inappropriate for NFPs, particularly smaller ones and this would place further emphasis on higher compliance costs through measurement and internal cost allocations and be prohibitively burdensome on the vast number of charities that perform advocacy activity across all sectors.

We believe that if the purpose of the organisation meets the requirements of DGR status, then unless that purpose changes or an organisation acts unlawfully, then they should retain that status. Regular review by the ACNC and self-certification should be in force.



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? We agree with this suggestion such that all who are registered should comply with a strong set of governance standards and common regulation. However there are other legal areas the ACNC will not be able to apply or be aware of and will need to act in consultation with other federal and state agencies.