

Submission to The Treasury on the draft bill and explanatory memorandum for the new deductible gift recipient (DGR) general category for Men's Sheds and Women's Sheds prepared by the Queensland Men's Shed Association Inc (QMSA)



QUEENSLAND MEN'S SHED ASSOCIATION Inc

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Patron

His Excellency the Honourable Paul de Jersey AC
Governor of Queensland

The Manager, Indirect Taxes and Not-for-Profit Unit
Individuals and Indirect Tax Division
Langton Crescent
Parkes ACT 2600

14 February 2020

By Email: DGR@treasury.gov.au

Dear Sir/Madam

I write in response to the Treasury request seeking public submissions on the draft bill and explanatory memorandum for the new deductible gift recipient (DGR) general category for Men's Sheds and Women's Sheds. This submission is made on behalf of the Queensland Men's Shed Association Inc.

The Queensland Men's Shed Association Inc. (QMSA) is the State Peak Body for Men's Sheds in Queensland. QMSA was established on the 18 June 2010 as an incorporated association in Queensland. Its principal focus is on promoting the needs of the Men's Sheds and the community that they serve. The QMSA seeks to engage through zones, individual Sheds and the community across Queensland. Principal among the objectives of QMSA is the active promotion of Men's health, with emphasis on the prevention of illness. As the Queensland State Association Member of the Australian Men's Shed Association (AMSA) it works in partnership and collaboration to promote and advance the Shed Movement within Queensland.

The attached Submission contains two explanatory responses to key issues raised in the Terms of Reference for this Review and makes the following recommendations:

- 1. That the definition of *community shed* in clause 3 of the exposure draft bill, and all references to the term *community shed* in the explanatory materials and frequently asked questions, be amended to include the relevant State Association or National Association;**
- 2. That clearer guidelines be developed by the ACNC and ATO for appropriate changes to shed constitutions that may be required for ACNC and ATO eligibility for DGR endorsement.**

Further comment is included on the following page to support these two recommendations.

Yours faithfully

Robert J Collins B Comm DPA JP Qual
Secretary QMSA

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Recommendation 1 - That the definition of *community shed* in clause 3 of the exposure draft bill, and all references to the term *community shed* in the explanatory materials and frequently asked questions, be amended to include the relevant State Association or National Association.

Throughout the Exposure Draft, Explanatory Materials and FAQs as shown, there is no mention of, or reference to, the relevant State Associations or National Association [hereafter shown as SANA]. This does not reflect the strong submissions made in this regard during the consultation period by most parties. Nor does it reflect any reasonable understanding of the role played by these umbrella groups in the effective promotion of the purpose and ideals of the Shed movement.

The exclusion of these fundamentally important umbrella groups undermines the function of these groups in fostering and coordinating Shed's combined activities in the pursuit of the aims and aspirations of the Shed movement - activities this legislation is intended to enhance.

The fact that some umbrella groups may have accreditation does not negate the inclusion of such groups in the proposed legislation but militates unfairly against those who do not enjoy accreditation and any umbrella group that may emerge in the future. Exclusion shows, what must be assumed, an undented bias to the status quo.

There are approximately 23 references in the documents shown that would involve the reference to SANA to correct this omission. Alternatively, by an amendment to the definition of a Community Shed; a Men's Shed and or a Woman's Shed to include State Associations and a National Association would surely suffice.

Generally, Men's Shed State Associations and AMSA State Branches (e.g., Queensland Men's Shed Association Inc.,) have as their major objective the provision of service and support to the Men's Sheds within their State and the promotion of the Men's Shed movement nationally. They usually also hold membership of the national organisation. State Associations and State Branches of AMSA are vital and an integral part of the Shed movement in Australia and must be recognised for their role and afforded due status.

Recommendation 2 – That clearer guidelines be developed by the ACNC and ATO for appropriate changes to shed constitutions that may be required for ACNC and ATO eligibility for DGR endorsement.

As well as legislative amendment, the consequent administrative action will require clear guidelines from the ACNC and the ATO. To be eligible for DGR status, an entity must have Charitable status, the prerogative of the ACNC, and then meet the eligibility criteria stipulated in the Tax legislation, the prerogative of the Tax Office. The only stumbling block could be a Shed's constitution/rules of Association, as this document must outline specifically matters pertaining to the disbursement of funds in the event of Shed disbandment, and Sheds may also be required to change their constitution/rules of association to specify that their principal purpose is combatting mental health. Currently, this is not clearly spelt out in the Explanatory Material and FAQs.