

Mirboo North & District Community Foundation

14th July 2023

The Treasury,
Langton Crescent,
Parkes Act 2600
Australia
Charitiesconsultation@treasury.gov.au

Re: Submission in relation to the Treasury Laws Amendment (Measures for Consultation) Bill 2023: new category of deductible gift recipients.

Dear Sir / Madam,

My submission is on behalf of the Mirboo North & District Community Foundation, one of the 28 listed community foundations around which a new category of DGR may be declared by the Minister, under the proposed bill open for consultation.

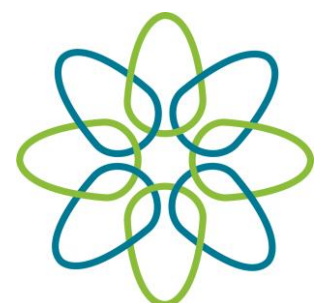
Enabling community foundations like ours to, not only to give tax deductible receipts to donors, but to grant out tax deductible donations to local projects with impact in our rural area is a game-changer. It would allow charitable funds to flow to charitable projects in rural and regional areas where local volunteers, organisations and charities are having or could have significant impact through their connections and understanding of the people and place that they are committed to strengthening.

In terms of the draft Bill and the proposed Explanatory materials, we submit the following points:

1. Community foundations are seeking to simplify their structures and the red tape, compliance and administrative costs and burdens and so urge the government not to *require* community foundations to have to establish a new trust or company.

As community foundations will not be able to convert their public ancillary funds to be a community charity fund (CCF) nor distribute the funds to the corporate trustee (due to the wording in the PuAF trust deeds and PuAF Guidelines), most community foundations will want to be able to distribute the funds in their public ancillary funds to a CCF in an existing charitable trust and get rid of one of the entities in their existing complicated structures.

The current wording of the proposed Bill does not allow the CCF to sit within a trust with broader charitable purposes and we strongly request this is possible in the same way the proposed Bill allows a CCF to sit within a corporate entity. This will reduce red tape by not requiring new trusts to be established.

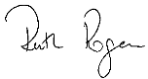


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2. The Bill does not seem to allow distributions to non-DGRs for DGR purposes or activities and this is an essential part of the application to the government to facilitate the role of community philanthropy, particularly relevant in rural and regional areas, but applicable everywhere. Could the Bill and Explanatory memorandum be amended to make this clear?
3. We are also concerned about the way in which principal purpose of a DGR category will be interpreted when there are other requirements for the DGR category. Community foundations are often the first organisation on the ground when a disaster occurs. We would appreciate further clarification about the way in which principal purpose of a DGR category will be interpreted when there are other requirements for the DGR category. In this example, would community foundations still need to wait for a disaster to be declared to receive tax deductible donations for disaster relief purposes? Another example are scholarships which community foundations often get approached to fund. Would any scholarship be able to be funded from tax deductible donations as the principal purpose or only those which still meet the DGR scholarship fund requirements?

We would appreciate if you could take these points into consideration as part of the consultation.

Yours sincerely,



Ruth Rogan
Executive Officer

