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INTERNATIONAL  
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The Hon. Josh Frydenberg MP  
Treasurer of Australia  
**Via email:** [josh.frydenberg.mp@aph.gov.au](mailto:josh.frydenberg.mp@aph.gov.au)

Senator The Hon. Zed Seselja  
Assistant Minister for Finance, Charities & Electoral Matters  
**Via email:** [senator.seselja@aph.gov.au](mailto:senator.seselja@aph.gov.au)

CC: The Hon. Dr. Gary Johns  
Commissioner  
Australian Charities & Not-for-profits Commission  
**Via email** [Gary.Johns@acnc.gov.au](mailto:Gary.Johns@acnc.gov.au)

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7 April 2020

Dear Treasurer and Assistant Minister,

**RE: Ensuring all charities with DGR status are included in considerations of increased tax deductibility**

ACFID warmly welcomes the announcement of the Australian Government's JobKeeper subsidy being applied to charities suffering a 15 per cent reduction in revenue. Please find our media release attached. Further to our letter to the Prime Minister, Treasurer and members of the Cabinet dated 27 March 2020 regarding measures to assist charities that are providing vital support to the Australian community and our neighbours in the Pacific we are seeking the Government's consideration of a proposal to increase tax deductibility to 150 per cent to all charities with Deductible Gift Recipient Status (DGR) until 30 June 2022.

Most Not-for-profit organisations rely heavily on the generous financial support of the Australian community, through individual donations and philanthropic gifts, with DGR. Extending the rate of tax deductibility is likely to increase and accelerate giving, which would support charities to deliver essential services and retain many Australian jobs.

ACFID proposes that the increased rate of tax deductibility be maintained until the financial year ending June 2022 to allow for a period of significant economic downturn and to help support a viable recovery. The period April to June of any year is the period where most organisations generate and receive a significant portion of their annual funding to support ongoing programs. However, face-to-face fundraising and other income-generating events have ceased due to social distancing restrictions and are expected to be on hold for at least six months. This will lead to a sharp decrease in donations and falls in total revenue that will be felt for the next 12 to 24 months.

All charities with DGR status are being challenged by the impacts of COVID-19 and we therefore recommend that all should be included in this consideration of increased tax deductibility rates. The inclusion of all charities with DGR status would encourage donations across a wide range of organisations whilst retaining accountability. An inclusive approach would allow the public to exercise

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ACFID unites Australia's non-government aid and international development organisations to strengthen their collective impact against poverty

free choice in donating to charities. It would also reduce the potential for distortions of the market by incentivising donations to only specific parts of the charitable sector—by, for example, only applying the 150 per cent tax deductibility to Public Benevolent Institutions (PBIs). A range of Australian charities currently working to support Pacific Island countries deal with the public health, humanitarian and economic impacts of COVID 19 — and which are key partners in the Australian Government's Pacific Step Up — are not PBIs.

An increase to the tax deductibility rate will need to be accompanied by a public call to support charities from the Prime Minister's Community Business Partnership and the Advisory Committee for the ACNC in order to achieve the greatest positive impact.

Given the urgency, ACFID would welcome the opportunity to discuss these matters with your office directly – please contact me on 0450 961 561 or email [mpurcell@acfid.asn.au](mailto:mpurcell@acfid.asn.au).

Yours Faithfully,



**Marc Purcell**

CEO

Australian Council for International Development

Attached: Media release 060420

<https://acfid.asn.au/media-releases/former-acnc-commissioner-praises-jobkeeper-payment-change>