

Review of Philanthropy Submission

Not-for-profit (NFP) organisations' success is dependent upon funding. This funding is not always tax-exempt for certain NFPs. With a view to increase donations to NFPs, making all money donated tax-exempt, to all NFPs, will add much needed funds.

The cost of living continues to increase, and with many NFPs already running close to having to shut down. Many NFPs are having to almost beg for donations just to keep afloat. The urgency of this review, findings, recommendations, and outcomes is greater than ever.

If certain NFPs were to shut down, the consequences could become catastrophic. Not only would the work they do cease, but in some instances it could be very difficult to address the matter of 'assets'. In particular, living animals cannot be rehomed easily and the costs involved would only add to the distress of the people in the NFP – if the animals can even be rehomed.

To aid such NFPs, changing the eligibility terms by the Australian Tax Office (ATO) would be necessary. Currently the ATO states that an NFP must be registered with the Australian Charities and Not-for-profits Commission (ACNC) and be:

- providing short-term direct care to animals (but not only native wildlife) that have been lost, mistreated or are without owners.
- rehabilitating orphaned, sick or injured animals (but not only native wildlife) that have been lost, mistreated or are without owners.

Some NFPs, such as animal sanctuaries are not eligible for tax-exemption because of these terms. Their activities are concerned with the lifelong well-being of the animals they care for – and will not be rehomed.

Charities by definition help those who have suffered. Nothing else should matter concerning the activities of any NFP or those they help, including animals – no matter their circumstances.

The establishment of tax exemption for all charities would require changing the definitions within legislation and the criteria held by organisations that approve such status currently.

Additional benefits of tax exemption include NFPs not having to spend as much time fundraising, meaning more time can be put into the activities centred around the care and other services they provide. It also removes some of the administrative hurdles allowing NFPs to carry out their work and even expand. Another benefit is that new NFPs will have a greater chance to setup and start their work – where people identify a need they can address.

The cost of living will always change for better or worse at certain times, which will affect the philanthropic nature of the public. Tax exemption for all NFPs, regardless of their work, is a measure that would better ensure the continued work of NFPs throughout changing economic times.

Thank-you for your consideration of this submission.

Your sincerely

Matthew Tones

