



# Future foundations for giving

## What is in the philanthropy draft report for **charities**?

Charities **support people's social and economic participation** and **contribute to community wellbeing**.

Governments support charities in many ways, including by giving a **tax deduction** to people who make donations to charities with deductible gift recipient (DGR) status.

### The Commission finds policies could better support charities to access philanthropy:

The DGR system is **poorly designed and overly complex**, and excludes many causes without a coherent policy rationale.



The Australian Charities and Not-for-profits Commission (ACNC) **lacks powers to transfer assets held by charities** that are dormant, to active charities.



This means donated funds in dormant charities are unavailable to fund services that benefit the community.

Charities can **face challenges accessing philanthropy** because of their size, location and nature of their activities.



This could inhibit specific groups or communities that these charities serve from accessing quality services or support.

### The Commission's draft report:



Recommends a **simpler and more consistent DGR system** that is accessible to a broader range of charities (draft recommendation 6.1).



Recommends **providing greater clarity about the application of charity law** by introducing test case funding, a binding rulings scheme (draft recommendation 7.3) and a legislated definition of a public benevolent institution (draft recommendation 6.2).



Is seeking views on options to **enable the ACNC to direct unused or surplus charity assets for use by eligible active charities** (information request 7.1).

