

s22

---

**From:** s22  
**Sent:** Friday, 12 May 2017 9:00 AM  
**To:** s22  
**Cc:** Tax Policy Super and Financial Sector  
**Subject:** RE: DGR specific listing requests [DLM=For-Official-Use-Only]  
**Attachments:** DGR discussion paper final.docx

~~For Official Use Only~~

Hi all,

Please see attached consultation paper – apologise for the delay we didn't get it till last night.

Thanks

---

**From:** s22  
**Sent:** Thursday, 11 May 2017 4:46 PM  
**To:** s22  
**Cc:** Tax Policy Super and Financial Sector  
**Subject:** FW: DGR specific listing requests [DLM=For-Official-Use-Only]

~~For Official Use Only~~

Hi all,

Treasury have provided us with a copy of the draft letter to the PM regarding consultation on DGR reforms and

s34

s34

Any comments on the draft by 11.30 tomorrow would be greatly appreciated.

Cheers

s22 Adviser  
Taxation Policy and Financial Sector | Economic Division  
Department of the Prime Minister and Cabinet  
s22  
w. [www.dpmc.gov.au](http://www.dpmc.gov.au)  
PO Box 6500 CANBERRA ACT 2600

---

**From:** s22  
**Sent:** Thursday, 11 May 2017 3:27 PM  
**To:** s22  
**Cc:**  
**Subject:** DGR specific listing requests [DLM=For-Official-Use-Only]

Hi s22

s22 [redacted] in my team passed on your email to me.

We are drafting a letter from Minister Cormann to the Prime Minister:

- notifying the Prime Minister that Minister Cormann intends to release a consultation paper on deductible gift recipient (DGR) tax concessions; and

- s34 [redacted]

Would you be able to have a look at the attached letter and let us know if you have any thoughts?

We would greatly appreciate any comments by **midday tomorrow**, as we were hoping to finalise it by tomorrow afternoon.

Thank you

s22 [redacted]

Individuals and Indirect Tax Division  
The Treasury  
Langton Crescent, Parkes ACT 2600

s22 [redacted]

---

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s22

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**From:** s22  
**Sent:** Friday, 12 May 2017 11:41 AM  
**To:** s22  
**Cc:**  
**Subject:** RE: DGR specific listing requests [DLM - For Official Use Only]

~~For Official Use Only~~

Hi s22

Thanks again for the chance to have a look at this.

Two comments that I'm happy to discuss:

- s47C
- s34

Cheers

s22 Adviser  
Taxation Policy and Financial Sector | Economic Division  
Department of the Prime Minister and Cabinet  
p. s22  
e.  
w. [www.dpmc.gov.au](http://www.dpmc.gov.au)  
PO Box 6500 CANBERRA ACT 2600

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**Subject:** DGR specific listing requests [DLM - For Official Use Only]

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- notifying the Prime Minister that Minister Cormann intends to release a consultation paper on deductible gift recipient (DGR) tax concessions; and
- s34

Would you be able to have a look at the attached letter and let us know if you have any thoughts?

We would greatly appreciate any comments by **midday tomorrow**, as we were hoping to finalise it by tomorrow afternoon.

Thank you

s22



Individuals and Indirect Tax Division  
The Treasury  
Langton Crescent, Parkes ACT 2600

s22



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**From:** s22  
**Sent:** Friday, 12 May 2017 11:41 AM  
**To:** s22  
**Cc:** Tax Policy Super and Financial Sector  
**Subject:** RE: DGR specific listing requests [~~SEC-PROTECTED~~]

~~PROTECTED~~

s22

As discussed, I recommend:

- s34, s47C

- 

- 

Rgds

---

**From:** s22  
**Sent:** Friday, 12 May 2017 9:51 AM  
**To:** s22  
**Cc:** Tax Policy Super and Financial Sector  
**Subject:** RE: DGR specific listing requests [~~DLM-For-Official-Use-Only~~]

~~For Official Use Only~~

Hi s22

s34

Regards,

s22

Office of Best Practice Regulation | Department of the Prime Minister and Cabinet

s22

s22 [helpdesk-obpr@pmc.gov.au](mailto:helpdesk-obpr@pmc.gov.au)

[www.dpmc.gov.au](http://www.dpmc.gov.au) | [ris.dpmc.gov.au](http://ris.dpmc.gov.au)

One National Circuit Barton ACT 2600

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Adviser

Taxation Policy and Financial Sector | Economic Division

Department of the Prime Minister and Cabinet

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- notifying the Prime Minister that Minister Cormann intends to release a consultation paper on deductible gift recipient (DGR) tax concessions; and

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Individuals and Indirect Tax Division

The Treasury

Langton Crescent, Parkes ACT 2600

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s22

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**To:** s22  
**Cc:**  
**Subject:** RE: DGR specific listing requests [DLM=For Official Use Only]

~~For Official Use Only~~

Hi s22

Thanks for sending this through, no comments from us.

Kind regards,

s22

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Taxation Policy and Financial Sector | Economic Division  
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We would greatly appreciate any comments by **midday tomorrow**, as we were hoping to finalise it by tomorrow afternoon.

Thank you

s22 [redacted]

Individuals and Indirect Tax Division  
The Treasury  
Langton Crescent, Parkes ACT 2600

[Rebecca.Joiner@treasury.gov.au](mailto:Rebecca.Joiner@treasury.gov.au)  
+61 2 6263 3628

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---



**SENATOR THE HON MATHIAS CORMANN**  
**Minister for Finance**  
**Deputy Leader of the Government in the Senate**  
**Acting Minister for Revenue and Financial Services**

The Hon Malcolm Turnbull MP  
Prime Minister  
Parliament House  
CANBERRA ACT 2600

Dear Prime Minister

I am writing to notify you that I intend to shortly release a consultation paper on reforms to deductible gift recipient (DGR) tax concessions. I am also writing to <sup>s34</sup>

There have been several reviews in the past ten years that have looked at DGR tax concessions but there has been no major reform. With the retention of the Australian Charities and Not-for-profits Commission (ACNC), I believe now is a pertinent time to consult on reforming DGR tax concessions.

The consultation paper has been prepared to seek input from the not-for-profit (NFP) sector on a number of proposals, including:

- strengthening governance of the system by requiring DGR organisations to be registered charities;
- measures to reduce complexity, including moving processing of all 51 DGR general categories to the Australian Taxation Office (ATO); and
- supporting potential modest fiscal repair by introducing rolling reviews of DGR endorsement.

These proposals have been examined in various forums, reviews and discussion papers over the last ten years and are generally expected to receive support from the NFP sector.

<sup>s34</sup>

s34



Kind regards

Mathias Cormann

April 2017

s22

**Subject:** Update on DGR reform discussion paper [DLM-For Official Use Only]  
**Location:** Teleconference  
**Start:** Thu 25/05/2017 3:00 PM  
**End:** Thu 25/05/2017 3:30 PM  
**Show Time As:** Tentative  
**Recurrence:** (none)  
**Organizer:** s22

Good morning all

This is a quick teleconference to update you on next steps for the DGR reform discussion paper.

Apologies for the short notice – please let me know if you unable to make it and I will arrange to contact you separately.

---

\*\*\*\*\*MEETING INVITATION\*\*\*\*\*

Meeting ID: 9525  
 Meeting Password: Not required

<<<<<<<< DIAL-IN DETAILS >>>>>>>>

Internal access: 2233  
 External access: s22  
 International Access: s22

---

Kind Regards  
 s22

Individuals and Indirect Tax Division  
 Indirect Tax and Not-For-Profit Unit  
 phone: s22  
 email: s22

---

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s22

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**From:** s22  
**Sent:** Wednesday, 24 May 2017 2:23 PM  
**To:** s22  
**Subject:** FW: VIP Corro - Cormann - Deductible Gift Registry [DLM-For Official Use Only]  
**Attachments:** VIP Corro - Cormann - Deductible Gift Registry.pdf; MC17-046317 DGR consultation brief.docx; MC17-046317 response.docx; DGR discussion paper final.docx

~~For Official Use Only~~

Hi s22

As discussed, please see attached and apologies for leaving you off the distribution list.  
I'd like to get this one out tomorrow (I'm away Friday) so any feedback by mid-afternoon would be great.

Cheers

s22 Adviser  
Taxation Policy and Financial Sector | Economic Division  
Department of the Prime Minister and Cabinet  
p s22  
e  
w. [www.dpmc.gov.au](http://www.dpmc.gov.au)  
PO Box 6500 CANBERRA ACT 2600

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**From:** s22  
**Sent:** Wednesday, 24 May 2017 11:37 AM  
**To:** s22  
**Cc:** Tax Policy Super and Financial Sector  
**Subject:** FW: VIP Corro - Cormann - Deductible Gift Registry [DLM-For Official Use Only]

~~For Official Use Only~~

Hi all,

Please see attached VIP corro seeking authority to release a consultation paper on DGR reform.  
Any comments on the attached draft brief and response by 11.30 tomorrow would be greatly appreciated.  
Treasury have confirmed that they will be allowing around 6 weeks for the consultation to occur.

Happy to discuss

Thanks

s22 Adviser  
Taxation Policy and Financial Sector | Economic Division  
Department of the Prime Minister and Cabinet  
p. s22  
e.  
w. [www.dpmc.gov.au](http://www.dpmc.gov.au)  
PO Box 6500 CANBERRA ACT 2600



---

**From:** s22  
**Sent:** Tuesday, 23 May 2017 9:43 AM  
**To:** MCU - MinCorro  
**Cc:** DLO; s22 Lloyd, Rachel; s22  
**Subject:** VIP Corro - Cormann - Deductible Gift Registry [~~DLM - For Official Use Only~~]

~~For Official Use Only~~

Hi MCU

For registration please.

s22  
Departmental Liaison Officer  
Office of the Prime Minister, The Hon Malcolm Turnbull MP  
MG 8, Parliament House, Canberra ACT 2600

s22  
e. [DLO@pm.gov.au](mailto:DLO@pm.gov.au) | s22



**SENATOR THE HON MATHIAS CORMANN**

**Minister for Finance**

**Deputy Leader of the Government in the Senate  
Acting Minister for Revenue and Financial Services**

The Hon Malcolm Turnbull MP  
Prime Minister  
Parliament House  
CANBERRA ACT 2600

Dear Prime Minister

I am writing to seek your agreement to release a consultation paper on reforms to deductible gift recipient (DGR) tax concessions.

There have been several reviews in the past ten years that have looked at DGR tax concessions but there has been no major reform. With the retention of the Australian Charities and Not-for-profits Commission, I believe now is a pertinent time to consult on reforming DGR tax concessions.

The consultation paper has been prepared to seek input from the not-for-profit (NFP) sector on a number of proposals, including:

- strengthening governance of the system by requiring DGR organisations to be registered charities;
- measures to reduce complexity, including moving processing of all 51 DGR general categories to the Australian Taxation Office (ATO); and
- supporting potential modest fiscal repair by introducing rolling reviews of DGR endorsement.

These proposals have been examined in various forums, reviews and discussion papers over the last ten years and are generally expected to receive support from the NFP sector. Nonetheless, the paper may prompt some negative reactions and may also prompt stakeholders to raise sensitive issues outside the intended scope of the paper.

I will be writing to the Prime Minister's Community Business Partnership inviting it to make a submission to the discussion paper and acknowledging the previous work it has done on this issue.

s34



s22



 Mathias Cormann

 May 2017

**DEPARTMENT OF THE PRIME MINISTER AND CABINET**

PM&C  
Secretary  
Dr Gruen  
Mr Duggan  
Mr Castellino  
Ms Parry

**To:** Assistant Minister to the Prime Minister (for decision by Tuesday 30 May 2017)

**REQUEST TO RELEASE CONSULTATION PAPER ON DEDUCTIBLE GIFT  
RECIPIENT TAX CONCESSIONS**

PMO  
CoS  
s22

OTHER  
OFFICES  
CoS

**Recommendation - that you:**

1. sign the letter at Attachment A agreeing to the Acting Minister for Revenue and Financial Services releasing the consultation paper on Deductible Gift Recipient (DGR) tax concessions.

**Signed / Not Signed**

JAMES MCGRATH

Date:

Comments:

**Key Points:**

1. We support the Acting Minister for Revenue and Financial Services request (Attachment B) to release a consultation paper exploring several proposals to improve governance, reduce complexity and clean up the DGR stock. We understand the Acting Minister proposes releasing the paper by 1 June 2017.

a. s34

2. s47C

3.

4. s34

Rachel Lloyd  
Assistant Secretary  
Taxation, Financial Sector and  
Employment Branch  
25 May 2017

Policy Officer: s22  
Phone no: x s22  
Consultation: Regulatory Reform, Fiscal,  
CabDiv.

**ATTACHMENTS**

**ATTACHMENT A   DRAFT RESPONSE**

**ATTACHMENT B   INCOMING CORRESPONDENCE**



SENATOR THE HON JAMES MCGRATH  
ASSISTANT MINISTER TO THE PRIME MINISTER

Reference: MC17-046317

Senator The Hon Mathias Cormann  
Acting Minister for Revenue and Financial Services  
Parliament House  
CANBERRA ACT 2600

Dear Minister

Thank you for your letter dated 23 March 2017 regarding deductible gift recipient (DGR) tax concessions.

I agree to you conducting public consultation on DGR taxation concessions, as outlined in your letter, and s34

s34

Yours sincerely

**JAMES MCGRATH**

/ / 2017











































s22

---

**From:** s22  
**Sent:** Thursday, 25 May 2017 11:25 AM  
**To:** s22  
**Cc:** s22 Tax Policy Super and Financial Sector  
**Subject:** RE: VIP Corro - Cormann - Deductible Gift Registry [DLM-For-Official-Use-Only]  
**Attachments:** MC17-046317 DGR consultation brief.docx; MC17-046317\_DGR package\_response.docx

~~For Official Use Only~~

Hi s22

Thanks for forwarding me your draft brief and response relating to the VIP corro seeking authority to release a consultation paper on DGR reform.

We've added a bit of detail on the PM's Partnership's role and work relating to the DGR framework in the background of the brief as well as adding a couple of lines in the response letter, see attached.

Happy to discuss.

Regards,

s22

s22 Adviser  
Social Services Section | Social Services & Immigration Branch  
Social Policy Division | Department of the Prime Minister and Cabinet  
p.s22  
[www.dpmc.gov.au](http://www.dpmc.gov.au)  
PO Box 6500 CANBERRA 2600

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Hi s22

As discussed, please see attached and apologies for leaving you off the distribution list.  
I'd like to get this one out tomorrow (I'm away Friday) so any feedback by mid-afternoon would be great.

Cheers

s22 Adviser  
Taxation Policy and Financial Sector | Economic Division  
Department of the Prime Minister and Cabinet  
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PO Box 6500 CANBERRA ACT 2600

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Hi all,

Please see attached VIP corro seeking authority to release a consultation paper on DGR reform.

Any comments on the attached draft brief and response by 11.30 tomorrow would be greatly appreciated.

Treasury have confirmed that they will be allowing around 6 weeks for the consultation to occur.

Happy to discuss

Thanks

s22 Adviser  
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Department of the Prime Minister and Cabinet  
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Departmental Liaison Officer  
Office of the Prime Minister, The Hon Malcolm Turnbull MP  
MG 8, Parliament House, Canberra ACT 2600  
s22  
e. [DLO@pm.gov.au](mailto:DLO@pm.gov.au) | s22

DEPARTMENT OF THE PRIME MINISTER AND CABINET

PM&C  
Secretary  
Dr Gruen  
Mr Duggan  
Mr Castellino  
Ms Parry  
[Ms Borwick](#)

To: Assistant Minister to the Prime Minister (for decision by Tuesday 30 May 2017)

**REQUEST TO RELEASE CONSULTATION PAPER ON DEDUCTIBLE GIFT  
RECIPIENT TAX CONCESSIONS**

PMO  
CoS

s22  
s22

OTHER  
OFFICES  
CoS

**Recommendation - that you:**

1. sign the letter at Attachment A agreeing to the Acting Minister for Revenue and Financial Services releasing the consultation paper on Deductible Gift Recipient (DGR) tax concessions.

**Signed / Not Signed**

JAMES MCGRATH

Date:

Comments:

**Key Points:**

1. We support the Acting Minister for Revenue and Financial Services request (Attachment B) to release a consultation paper exploring several proposals to improve governance, reduce complexity and clean up the DGR stock. We understand the Acting Minister proposes releasing the paper by 1 June 2017.

a. s34

2. s47C

3.

4. s34

Background:

5. The PM's Community Business Partnership (the Partnership) would welcome an invitation from the Minister for Revenue and Financial Services to make a submission to the DGR tax concessions discussion paper.

a. In the recent meeting of the Partnership on 18 April 2017, the members stated that they have concerns with the current DGR framework, particularly the challenges to gain DGR status and the ability of the DGR status to enable whole of community approaches to address entrenched disadvantage. They are keen to pursue these issues further.

e.b. The Partnership has held a roundtable in 2016 with relevant stakeholders to discuss DGR reforms and have engaged with Treasury and the Australian Charities and Not-for-profits Commission on this matter in the past. Minister Porter has stated his intention to invite the Minister for Revenue and Financial Services to provide a briefing on DRG at the next meeting.

Rachel Lloyd  
Assistant Secretary  
Taxation, Financial Sector and  
Employment Branch  
25 May 2017

Policy Officer: s22  
Phone no: x s22  
Consultation: Regulatory Reform, Fiscal,  
CabDiv.

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**ATTACHMENT B   INCOMING CORRESPONDENCE**



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ASSISTANT MINISTER TO THE PRIME MINISTER

Reference: MC17-046317

Senator The Hon Mathias Cormann  
Acting Minister for Revenue and Financial Services  
Parliament House  
CANBERRA ACT 2600

Dear Minister

Thank you for your letter dated 23 March 2017 regarding deductible gift recipient (DGR) tax concessions.

I agree to you conducting public consultation on DGR taxation concessions, as outlined in your letter, and s34

s34

I welcome your intention to write to the PM's Community Business Partnership inviting them to make a submission to DGR tax concessions discussion paper as they have done significant work in this area.

I have copied the letter to the Minister for Social Services.

Yours sincerely

**JAMES MCGRATH**

/ / 2017

s22

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**From:** s22  
**Sent:** Thursday, 25 May 2017 10:34 AM  
**To:** s22  
**Cc:**  
**Subject:** RE: VIP Corro - Cormann - Deductible Gift Registry [DLM - For Official Use Only]

~~For Official Use Only~~

Hi s22 – thanks for the opportunity to comment. s34

s34

s22

---

Senior Advisor

Office of Best Practice Regulation | Department of the Prime Minister and Cabinet

p. s22

e.

[www.dpmc.gov.au](http://www.dpmc.gov.au) | [ris.dpmc.gov.au](http://ris.dpmc.gov.au)

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Hi s22

Thanks for consulting. Nothing from RRD (excluding OBPR) on this one.

Kind regards

s22

Adviser | Regulatory Reform Division  
Department of the Prime Minister and Cabinet  
p. s22  
e.  
PO Box 6500 CANBERRA ACT 2600

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Any comments on the attached draft brief and response by 11.30 tomorrow would be greatly appreciated.

Treasury have confirmed that they will be allowing around 6 weeks for the consultation to occur.

Happy to discuss

Thanks

s22 [redacted] Adviser  
Taxation Policy and Financial Sector | Economic Division  
Department of the Prime Minister and Cabinet  
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[redacted] Departmental Liaison Officer  
Office of the Prime Minister, The Hon Malcolm Turnbull MP  
MG 8, Parliament House, Canberra ACT 2600  
s22 [redacted]  
e. [DLO@pm.gov.au](mailto:DLO@pm.gov.au) | s22 [redacted]

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~~PROTECTED Sensitive: Cabinet~~

Hi s22  
s34

Cheers

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~~PROTECTED Sensitive: Cabinet~~

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**To:** s22  
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**Cc:** Tax Policy Super and Financial Sector <[Tax\\_Policy\\_Super\\_and\\_Financial\\_Sector@pmc.gov.au](mailto:Tax_Policy_Super_and_Financial_Sector@pmc.gov.au)>  
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---

**From:** s22 [redacted]  
**Sent:** Tuesday, 23 May 2017 9:43 AM  
**To:** MCU - MinCorro  
**Cc:** DLO; s22 [redacted] Lloyd, Rachel; s22 [redacted]  
**Subject:** VIP Corro - Cormann - Deductible Gift Registry ~~[DLM - For Official Use Only]~~

~~For Official Use Only~~

Hi MCU

For registration please.

s22 [redacted]  
[redacted] Departmental Liaison Officer  
Office of the Prime Minister, The Hon Malcolm Turnbull MP  
MG 8, Parliament House, Canberra ACT 2600  
ph: s22 [redacted]  
e. [DLO@pm.gov.au](mailto:DLO@pm.gov.au) | s22 [redacted]

s22

---

**From:** s22  
**Sent:** Tuesday, 23 May 2017 1:22 PM  
**To:** s22  
**Subject:** RE: DGR letter [DLM=For Official Use Only]

Hey mate, we were hoping to release the discussion paper by 1 June.

---

**From:** s22  
**Sent:** Tuesday, 23 May 2017 11:41 AM  
**To:** s22  
**Subject:** DGR letter [DLM=For Official Use Only]

UNCLASSIFIED For Official Use Only

Hey mate, got your DGR letter, just checking that there's no time pressures associated with it?

s22 Adviser  
Taxation Policy and Financial Sector | Economic Division  
Department of the Prime Minister and Cabinet  
p. s22  
e.   
w. [www.dpmc.gov.au](http://www.dpmc.gov.au)  
PO Box 6500 CANBERRA ACT 2600

---

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---

s22

**From:** s22  
**Sent:** Wednesday, 7 June 2017 3:13 PM  
**To:** DLO McGrath  
**Cc:** DLO; Tax Policy Super and Financial Sector  
**Subject:** FW: VIP Corro - Cormann - Deductible Gift Registry [~~SEC=PROTECTED, DLM=Sensitive:Cabinet~~]  
**Attachments:** VIP Corro - Cormann - Deductible Gift Registry.pdf; MC17-046317 DGR consultation brief.docx; MC17-046317 response.docx

~~PROTECTED Sensitive: Cabinet~~

Good afternoon,

In regards to the correspondence from the Acting Minister for Revenue and Financial Services, please find attached brief and response.

This is also being progressed through PDMS.

Please let me know if you require any further information.

Thanks

s22 | Adviser  
Taxation Policy and Financial Sector | Economic Division  
Department of the Prime Minister and Cabinet  
p. s22  
e.   
w. [www.dpmc.gov.au](http://www.dpmc.gov.au)  
PO Box 6500 CANBERRA ACT 2600

---

**From:** DLO  
**Sent:** Tuesday, 23 May 2017 2:07 PM  
**To:** s22 DLO  
**Subject:** RE: VIP Corro - Cormann - Deductible Gift Registry [~~DLM=For-Official-Use-Only~~]

~~For Official Use Only~~

Hi s22

AM McGrath response is ok.

Thanks!

s22  
Departmental Liaison Officer  
Office of the Prime Minister, The Hon Malcolm Turnbull MP  
MG 8, Parliament House, Canberra ACT 2600  
ph: s22  
e. [DLO@pm.gov.au](mailto:DLO@pm.gov.au) | s22

---

**From:** s22

**Sent:** Tuesday, 23 May 2017 2:01 PM

**To:** DLO <[dlo@pm.gov.au](mailto:dlo@pm.gov.au)>

**Subject:** RE: VIP Corro - Cormann - Deductible Gift Registry [~~DLM - For Official Use Only~~]

~~For Official Use Only~~

~~For Official Use Only~~

Hi s22

This corro is seeking permission to release a public consultation paper on possible reforms to Deductible Gift Recipient tax concessions.

Can you please advise whether the response should be from the PM or whether this is appropriate for AM McGrath.

Thanks

s22 | Adviser  
Taxation Policy and Financial Sector | Economic Division  
Department of the Prime Minister and Cabinet  
p s22  
e.   
w. [www.dpmc.gov.au](http://www.dpmc.gov.au)  
PO Box 6500 CANBERRA ACT 2600

---

**From:** s22

**Sent:** Tuesday, 23 May 2017 9:43 AM

**To:** MCU - MinCorro

**Cc:** DLO; s22; Lloyd, Rachel; s22

**Subject:** VIP Corro - Cormann - Deductible Gift Registry [~~DLM - For Official Use Only~~]

~~For Official Use Only~~

Hi MCU

For registration please.

s22  
| Departmental Liaison Officer  
Office of the Prime Minister, The Hon Malcolm Turnbull MP  
MG 8, Parliament House, Canberra ACT 2600  
ph: s22  
e. [DLO@pm.gov.au](mailto:DLO@pm.gov.au) | s22



**SENATOR THE HON MATHIAS CORMANN**

**Minister for Finance**

**Deputy Leader of the Government in the Senate  
Acting Minister for Revenue and Financial Services**

The Hon Malcolm Turnbull MP  
Prime Minister  
Parliament House  
CANBERRA ACT 2600

Dear Prime Minister

I am writing to seek your agreement to release a consultation paper on reforms to deductible gift recipient (DGR) tax concessions.

There have been several reviews in the past ten years that have looked at DGR tax concessions but there has been no major reform. With the retention of the Australian Charities and Not-for-profits Commission, I believe now is a pertinent time to consult on reforming DGR tax concessions.

The consultation paper has been prepared to seek input from the not-for-profit (NFP) sector on a number of proposals, including:

- strengthening governance of the system by requiring DGR organisations to be registered charities;
- measures to reduce complexity, including moving processing of all 51 DGR general categories to the Australian Taxation Office (ATO); and
- supporting potential modest fiscal repair by introducing rolling reviews of DGR endorsement.

These proposals have been examined in various forums, reviews and discussion papers over the last ten years and are generally expected to receive support from the NFP sector. Nonetheless, the paper may prompt some negative reactions and may also prompt stakeholders to raise sensitive issues outside the intended scope of the paper.

I will be writing to the Prime Minister's Community Business Partnership inviting it to make a submission to the discussion paper and acknowledging the previous work it has done on this issue.

s34



s22



 Mathias Cormann

 May 2017



**DEPARTMENT OF THE PRIME MINISTER AND CABINET**

PM&C  
Secretary  
Dr Gruen  
Mr Duggan  
Mr Castellino  
Ms Parry  
Ms Borwick

**To:** Assistant Minister to the Prime Minister (for decision by Friday 9 June 2017)

**CONSULTATION PAPER ON DEDUCTIBLE GIFT RECIPIENT TAX  
CONCESSIONS**

PMO  
CoS

s22

AMO  
CoS

**Recommendation - that you:**

1. sign the letter at Attachment A agreeing to the Acting Minister for Revenue and Financial Services releasing the consultation paper on Deductible Gift Recipient (DGR) tax concessions.

**Signed / Not Signed**

JAMES MCGRATH

Date:

Comments:

**Key Points:**

1. We support the Acting Minister for Revenue and Financial Services' request (Attachment B) to release a consultation paper exploring several proposals to improve governance, reduce complexity and reduce the DGR stock.

a. s34

2. s47C

3. s34

**Background**

4. The Prime Minister's Community Business Partnership (the Partnership) will welcome an invitation from the Minister for Revenue and Financial Services to make a submission in response to the DGR tax concessions consultation paper.

- a. At the Partnership's 18 April 2017 meeting, the members noted their concerns with the current DGR framework, particularly the challenges to gaining DGR status. They are keen to pursue these issues further.
- b. The Partnership held a roundtable in 2016 with relevant stakeholders to discuss DGR reforms and has engaged with Treasury and the Australian Charities and Not-for-profits Commission on this matter in the past.
- c. The Minister for Social Services, who is Deputy Chair of the Partnership, has stated his intention to invite the Minister for Revenue and Financial Services to provide a briefing on DGRs at the next meeting.

Rachel Lloyd  
Assistant Secretary  
Taxation, Financial Sector and  
Employment Branch  
7 June 2017

Policy Officer: s22  
Phone no: s22  
Consultation: Regulatory Reform, Fiscal,  
CabDiv, Social Policy.

## **ATTACHMENTS**

### **ATTACHMENT A DRAFT RESPONSE**

**ATTACHMENT B INCOMING CORRESPONDENCE**



SENATOR THE HON JAMES MCGRATH  
ASSISTANT MINISTER TO THE PRIME MINISTER

Reference: MC17-046317

Senator The Hon Mathias Cormann  
Acting Minister for Revenue and Financial Services  
Parliament House  
CANBERRA ACT 2600

Dear Minister

Thank you for your letter to the Prime Minister dated 23 March 2017 regarding deductible gift recipient (DGR) tax concessions. I have been asked to respond on the Prime Minister's behalf.

I agree to you conducting public consultation on DGR taxation concessions, as outlined in your letter, and <sup>s34</sup>  
s34

I welcome your intention to write to the PM's Community Business Partnership inviting them to make a submission in response to DGR tax concessions discussion paper as they have done significant work in this area.

I have copied this letter to the Minister for Social Services.

Yours sincerely

**JAMES MCGRATH**

/ / 2017

s22

---

**From:** s22  
**Sent:** Thursday, 8 June 2017 9:25 AM  
**To:** DLO McGrath  
**Subject:** RE: VIP Corro - Cormann - Deductible Gift Registry [SEC=PROTECTED, DLM=Sensitive:Cabinet]  
**Attachments:** DGR discussion paper final.docx

~~PROTECTED Sensitive: Cabinet~~

Hi s22

Apologies, I just realised that the consultation paper was not attached to the previous email.

Thanks

s22 | Adviser  
Taxation Policy and Financial Sector | Economic Division  
Department of the Prime Minister and Cabinet  
p. s22  
e.   
w. [www.dpmc.gov.au](http://www.dpmc.gov.au)  
PO Box 6500 CANBERRA ACT 2600

---

**From:** DLO McGrath  
**Sent:** Wednesday, 7 June 2017 3:17 PM  
**To:** s22  
**Subject:** RE: VIP Corro - Cormann - Deductible Gift Registry [SEC=PROTECTED, DLM=Sensitive:Cabinet]

~~PROTECTED Sensitive: Cabinet~~

Thanks s22

AM McGrath is in rural Queensland at the moment, and so will most likely sign this first thing on Tuesday.

Kind regards

s22

---

**From:** s22  
**Sent:** Wednesday, 7 June 2017 3:13 PM  
**To:** DLO McGrath <[DLOMcGrath@pmc.gov.au](mailto:DLOMcGrath@pmc.gov.au)>  
**Cc:** DLO <[dlo@pm.gov.au](mailto:dlo@pm.gov.au)>; Tax Policy Super and Financial Sector <[Tax\\_Policy\\_Super\\_and\\_Financial\\_Sector@pmc.gov.au](mailto:Tax_Policy_Super_and_Financial_Sector@pmc.gov.au)>  
**Subject:** FW: VIP Corro - Cormann - Deductible Gift Registry [SEC=PROTECTED, DLM=Sensitive:Cabinet]

~~PROTECTED Sensitive: Cabinet~~

Good afternoon,

In regards to the correspondence from the Acting Minister for Revenue and Financial Services, please find attached brief and response.

This is also being progressed through PDMS.

Please let me know if you require any further information.

Thanks

s22 [redacted] Adviser  
Taxation Policy and Financial Sector | Economic Division  
Department of the Prime Minister and Cabinet  
p s22 [redacted]  
e. [redacted]  
w. [www.dpmc.gov.au](http://www.dpmc.gov.au)  
PO Box 6500 CANBERRA ACT 2600

---

**From:** DLO  
**Sent:** Tuesday, 23 May 2017 2:07 PM  
**To:** s22 [redacted] DLO  
**Subject:** RE: VIP Corro - Cormann - Deductible Gift Registry [~~DLM - For Official Use Only~~]

~~For Official Use Only~~

Hi s22 [redacted]

AM McGrath response is ok.

Thanks!

s22 [redacted]  
[redacted] Departmental Liaison Officer  
Office of the Prime Minister, The Hon Malcolm Turnbull MP  
MG 8, Parliament House, Canberra ACT 2600  
ph: s22 [redacted]  
e. [DLO@pm.gov.au](mailto:DLO@pm.gov.au) | s22 [redacted]

---

**From:** s22 [redacted]  
**Sent:** Tuesday, 23 May 2017 2:01 PM  
**To:** DLO <[dlo@pm.gov.au](mailto:dlo@pm.gov.au)>  
**Subject:** RE: VIP Corro - Cormann - Deductible Gift Registry [~~DLM - For Official Use Only~~]

~~For Official Use Only~~

~~For Official Use Only~~

Hi s22 [redacted]

This corro is seeking permission to release a public consultation paper on possible reforms to Deductible Gift Recipient tax concessions.

Can you please advise whether the response should be from the PM or whether this is appropriate for AM McGrath.

Thanks

s22 | Adviser  
Taxation Policy and Financial Sector | Economic Division  
Department of the Prime Minister and Cabinet  
p. s22  
e.   
w. [www.dpmc.gov.au](http://www.dpmc.gov.au)  
PO Box 6500 CANBERRA ACT 2600

---

**From:** s22  
**Sent:** Tuesday, 23 May 2017 9:43 AM  
**To:** MCU - MinCorro  
**Cc:** DLO; s22 Lloyd, Rachel; s22  
**Subject:** VIP Corro - Cormann - Deductible Gift Registry

~~For Official Use Only~~

Hi MCU

For registration please.

s22  
Departmental Liaison Officer  
Office of the Prime Minister, The Hon Malcolm Turnbull MP  
MG 8, Parliament House, Canberra ACT 2600  
ph: s22  
e. [DLO@pm.gov.au](mailto:DLO@pm.gov.au) | s22











































s22

**From:** s22  
**Sent:** Wednesday, 14 June 2017 11:10 AM  
**To:** s22  
**Subject:** FW: DGR reform [DLM-For-Official-Use-Only]

~~For Official Use Only~~

As discussed s22 is the adviser to AM McGrath)

---

**From:** s22  
**Sent:** Thursday, 8 June 2017 9:15 AM  
**To:** DLO; s22  
**Subject:** Fwd: DGR reform [DLM-For-Official-Use-Only]

Dear All

s47C

s22 I will call you about this today.

Cheers

s22

Sent from my iPhone

Begin forwarded message:

**From:** s22  
**Date:** 7 June 2017 at 11:55:20 am AEST  
**To:** s22  
**Cc:**  
**Subject:** DGR reform [DLM-For-Official-Use-Only]

Hi s22

s47C

Attached is the below advice that I provided to s22 last week. As also discussed with you I will confirm with Treasury that they engage proactively with the Partnership Board.

s47C

I believe your PMC contact in s22

s22

---

**From:** s22  
**Sent:** Wednesday, 31 May 2017 2:20 PM  
**To:** s22  
**Subject:** FW: DSS contacts - DGR reform [DLM-For-Official-Use-Only]  
**Importance:** High

Hi s22

Just following up with you regarding our discussion this morning.

The Community Partnership Board has not seen the draft nor has its working group.

However as mentioned we have a letter signed and ready to be sent to them seeking their input. The relevant departments responsible for the four DGR registry's have also been briefed.

Specifically, Treasury have provided information below as to whom they have briefed in DSS.

The contact in the PMC who has been briefed is s22

I hope this is of assistance.

We are seeking to release the consultation paper as soon as we have approval. Any advice you can provide of the process and timeframe from here, when known, would be most appreciated.

I intend to liaise with the relevant Minister Office's pertaining the DGR registry's once the PMO has approved.

Kind regards,

s22

**Office of the Hon Kelly O'Dwyer MP**  
**Minister for Revenue and Financial Services**

Parliament House, Canberra ACT 2600

p s22

---

**From:** s22

**Sent:** Wednesday, 31 May 2017 1:50 PM

**To:** s22

**Cc:** s22

**Subject:** DSS contacts - DGR reform [DLM—For Official Use Only]

H s22

In terms of consultation with DSS on DGR reform, we talked to s22 and s22  
s22 area deals with the PM's community business partnership and charity policy  
generally. s22 area is in charge of the Register of Harm Prevention Charities.

They have both seen the final discussion paper and are aware of our planned timing for release.

I understand DSS has not briefed their minister on this issue.

Their details are:

s22

Kind regards

s22

Individuals and Indirect Tax Division  
Indirect Tax and Not-For-Profit Unit

phone s22

email:

---

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s22

---

**From:** s22  
**Sent:** Tuesday, 13 June 2017 1:22 PM  
**To:** s22  
**Cc:**  
**Subject:** DGR reform discussion paper update [DLM – For Official Use Only]

Good Afternoon all

A quick update – we are hoping to receive signed approval from the Prime Minister to release the DGR consultation paper sometime this afternoon.

The Minister for Revenue's office has indicated they are keen to get this out as soon as possible – so, depending on when we receive the approval, we will be looking at releasing the paper either later today or tomorrow morning.

I will send an update on the precise timing when we know.

s47C

Happy to answer any questions you may have.

Kind regards

s22

Individuals and Indirect Tax Division  
Indirect Tax and Not-For-Profit Unit

phone: s22

email:

---

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s22

---

**From:** s22  
**Sent:** Wednesday, 14 June 2017 10:33 AM  
**To:** s22  
**Subject:** RE: SIGNED: MC17-046317: Consultation Paper on Deductible Gift Recipient Tax Concessions [SEC=PROTECTED, DLM=Sensitive:Cabinet]

Thanks!

---

**From:** s22  
**Sent:** Wednesday, 14 June 2017 10:32 AM  
**To:** s22  
**Subject:** FW: SIGNED: MC17-046317: Consultation Paper on Deductible Gift Recipient Tax Concessions [SEC=PROTECTED, DLM=Sensitive:Cabinet]

~~PROTECTED Sensitive: Cabinet~~

Hey mate,  
Please see attached.

---

**From:** DLO McGrath  
**Sent:** Tuesday, 13 June 2017 6:35 PM  
**To:** s22; Lloyd, Rachel  
**Cc:** DLO; s22 Signed Briefs  
**Subject:** SIGNED: MC17-046317: Consultation Paper on Deductible Gift Recipient Tax Concessions [SEC=PROTECTED, DLM=Sensitive:Cabinet]

~~PROTECTED Sensitive: Cabinet~~

Dear s22 Rachel,

Assistant Minister McGrath has signed the **attached** brief regarding the *Consultation Paper on Deductible Gift Recipient Tax Concessions*.

The letter has been sent from the Assistant Minister's Office.

Kind regards,

s22  
Departmental Liaison Officer  
Office of the Assistant Minister to the Prime Minister, Senator the Hon James McGrath  
Office of the Minister Assisting the Prime Minister for Cyber Security, the Hon Dan Tehan MP  
Office of the Minister Assisting the Prime Minister for Counter-Terrorism, the Hon Michael Keenan MP  
S1.52 Parliament House, Canberra ACT 2600  
p s22  
e. s22 [DLOMcGrath@pmc.gov.au](mailto:DLOMcGrath@pmc.gov.au) | [DLO.Tehan.Cyber@pmc.gov.au](mailto:DLO.Tehan.Cyber@pmc.gov.au) | [DLO.Keenan.CT@pmc.gov.au](mailto:DLO.Keenan.CT@pmc.gov.au)

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~~PROTECTED Sensitive: Cabinet~~

PDR: MC17-046317

## DEPARTMENT OF THE PRIME MINISTER AND CABINET

PM&C  
Secretary  
Dr Gruen  
Mr Duggan  
Mr Castellino  
Ms Parry  
Ms Borwick

To: Assistant Minister to the Prime Minister (for decision by Friday 9 June 2017)

CONSULTATION PAPER ON DEDUCTIBLE GIFT RECIPIENT TAX  
CONCESSIONS

PMO  
CoS

s22

AMO  
CoS

**Recommendation** - that you:

1. Sign the letter at Attachment A agreeing to the Acting Minister for Revenue and Financial Services releasing the consultation paper on Deductible Gift Recipient (DGR) tax concessions.

s22

JAMES MCGRATH

Date:

13.6.17

Signed / Not Signed

Comments:

**Key Points:**

1. We support the Acting Minister for Revenue and Financial Services' request (Attachment B) to release a consultation paper exploring several proposals to improve governance, reduce complexity and reduce the DGR stock.

a.

s34

2.

s47C

3.

s34

~~PROTECTED Sensitive: Cabinet~~



## Background

4. The Prime Minister's Community Business Partnership (the Partnership) will welcome an invitation from the Minister for Revenue and Financial Services to make a submission in response to the DGR tax concessions consultation paper.
  - a. At the Partnership's 18 April 2017 meeting, the members noted their concerns with the current DGR framework, particularly the challenges to gaining DGR status. They are keen to pursue these issues further.
  - b. The Partnership held a roundtable in 2016 with relevant stakeholders to discuss DGR reforms and has engaged with Treasury and the Australian Charities and Not-for-profits Commission on this matter in the past.
  - c. The Minister for Social Services, who is Deputy Chair of the Partnership, has stated his intention to invite the Minister for Revenue and Financial Services to provide a briefing on DGRs at the next meeting.

Rachel Lloyd  
Assistant Secretary  
Taxation, Financial Sector and  
Employment Branch  
7 June 2017

Policy Officer: s22  
Phone no: x s22  
Consultation: Regulatory Reform, Fiscal,  
CabDiv, Social Policy.

**ATTACHMENTS**

**ATTACHMENT A   DRAFT RESPONSE**

**ATTACHMENT B   INCOMING CORRESPONDENCE**



SENATOR THE HON JAMES MCGRATH  
ASSISTANT MINISTER TO THE PRIME MINISTER  
ASSISTANT MINISTER FOR REGULATORY REFORM

Reference: MC17-046317

Senator The Hon Mathias Cormann  
Acting Minister for Revenue and Financial Services  
Parliament House  
CANBERRA ACT 2600

Dear Minister

Thank you for your letter dated 23 May 2017 to the Prime Minister, the Hon Malcolm Turnbull MP, regarding deductible gift recipient (DGR) tax concessions. I have been asked to respond on the Prime Minister's behalf.

I agree to you conducting public consultation on DGR taxation concessions, as outlined in your letter, and <sup>s34</sup> [REDACTED]  
s34 [REDACTED]

I welcome your intention to write to the Prime Minister's Community Business Partnership inviting them to make a submission in response to DGR tax concessions discussion paper as they have done significant work in this area.

I have copied this letter to the Minister for Social Services, The Hon Christian Porter MP.

Yours sincerely

s22 [REDACTED]

**JAMES MCGRATH**

13 / 6 / 2017

Mc17-046317

Eco-DIV



**SENATOR THE HON MATHIAS CORMANN**

**Minister for Finance**

**Deputy Leader of the Government in the Senate**

**Acting Minister for Revenue and Financial Services**

The Hon Malcolm Turnbull MP  
Prime Minister  
Parliament House  
CANBERRA ACT 2600

Dear Prime Minister

I am writing to seek your agreement to release a consultation paper on reforms to deductible gift recipient (DGR) tax concessions.

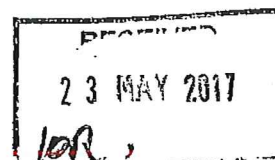
There have been several reviews in the past ten years that have looked at DGR tax concessions but there has been no major reform. With the retention of the Australian Charities and Not-for-profits Commission, I believe now is a pertinent time to consult on reforming DGR tax concessions.

The consultation paper has been prepared to seek input from the not-for-profit (NFP) sector on a number of proposals, including:

- strengthening governance of the system by requiring DGR organisations to be registered charities;
- measures to reduce complexity, including moving processing of all 51 DGR general categories to the Australian Taxation Office (ATO); and
- supporting potential modest fiscal repair by introducing rolling reviews of DGR endorsement.

These proposals have been examined in various forums, reviews and discussion papers over the last ten years and are generally expected to receive support from the NFP sector. Nonetheless, the paper may prompt some negative reactions and may also prompt stakeholders to raise sensitive issues outside the intended scope of the paper.

I will be writing to the Prime Minister's Community Business Partnership inviting it to make a submission to the discussion paper and acknowledging the previous work it has done on this issue.



s34



s22



Mathias Cormann

23 May 2017

s22

**From:**

s22

**Sent:**

Wednesday, 14 June 2017 3:06 PM

**To:**

s22

**Cc:**

**Subject:**

DGR reform discussion paper update ~~[DLM - For Official Use Only]~~

Good afternoon all

We have received approval to release the paper and will do so **tomorrow morning, 15 June**.

We have kept the closing date for submissions at **14 July 2017** based on Minister O'Dwyer's preference, so the consultation will be slightly shorter than originally planned.

s47C

In terms of contacting stakeholders, once the paper is released we are planning to get in touch with the Prime Minister's Community Business Partnership, the ACNC professional users group, the ACNC sector users group, and the Not-For-Profit Stewardship group.

Beyond that, we are happy for agencies to contact any other stakeholders at their discretion.

I will send another email tomorrow confirming the consultation paper's release.

Thank you for your patience with this process. As always happy to answer any questions.

Kind regards

s22

Individuals and Indirect Tax Division

Indirect Tax and Not-For-Profit Unit

phone: s22

email:

---

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s22

---

**From:** s22  
**Sent:** Thursday, 25 May 2017 5:42 PM  
**To:** s22  
  
**Cc:**  
**Subject:** DGR reform discussion paper {DLM-For Official Use Only}  
**Attachments:** DGR discussion paper final.docx

Hi all

Thank you for your time this afternoon.

Please see the DGR reform discussion paper attached. Please keep the paper confidential until it is publically released. We will keep you updated on any changes to the planned 1 June 2017 release date.

The list of NFP stewardship group members is available [here](#). Please note that at this stage we haven't received permission to consult the group prior to the paper's public release date.

Kind Regards

s22

Individuals and Indirect Tax Division  
Indirect Tax and Not-For-Profit Unit  
[phone](#) s22  
[email:](#)

---

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---











































s22

**From:**  
**Sent:**  
**To:**

s22

Thursday, 15 June 2017 9:43 AM

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**Cc:**  
**Subject:**

Release of the DGR reform discussion paper [SEC=UNCLASSIFIED]

Good morning all

The DGR discussion paper is now live at <https://treasury.gov.au/ConsultationsandReviews/Consultations/2017/Tax-Deductible-Gift-Recipient-Reform-Opportunities>

The Acting Minister for Revenue and Financial Services will issue a media release shortly.

Kind Regards

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Individuals and Indirect Tax Division  
Indirect Tax and Not-For-Profit Unit

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04/09/2017 11:22:52 AM

s47F



Tax Deductible Gift Recipient Reform Opportunities

Dear PM,

I'm writing to express my opposition to the recent "Tax Deductible Gift Recipient Reform Opportunities" Discussion Paper released by the Australian Treasury. I am particularly concerned about the proposal which would force environmental organisations to spend at least 25% of their funds on remediation work like planting trees and weed removal.

I make significant donations to the Climate Council and have done since it was established, which was necessitated by your predecessor's abolition of the Climate Commission. That decision was a national disgrace. I and many others could not allow the important work of the Commission to vanish so we put our own money into supporting an organisation that should, by any sensible test, be funded by the Commonwealth.

Your government has no right to direct where charities must spend their - my! - money. The Climate Council does extremely important work, but it is not an organisation with skills in remediation. Your government's attempt to force it to undertake certain activities for which it is not suited is simply a device to make it ever more difficult for it and other environmental organisations to function in this country. Ultimately, it is yet another example of the Coalition's unwillingness to stand up to the fossil fuel industry and do what is right for the future of the world and of Australia.

These proposals are an attack on Australian democracy and science. You know better than this, Prime Minister - for once, stand up to the lunatic right of your party and you may finally garner some respect from an electorate that expected so much better from you.

Yours sincerely

s47F

