



30 June 2011

Ms Kathy Riley
Australian Tax Office
91 Waymouth Street
ADELAIDE SA 5000

kathy.riley@ato.gov.au

Dear Ms Riley

Re: Draft Taxation Ruling TR 2011/D2 – Income and fringe benefits tax: charities

The Australian Council of Social Service thanks the Australian Tax Office (ATO) for the opportunity to provide feedback on the Draft Taxation Ruling TR 2011/D2 (Draft Taxation Ruling).

As the peak body for social and community services across Australia, ACOSS advocates for the sustainable development of the community sector and the need for a reduction of the legal barriers for advocacy through the expansion of Commonwealth tax concessions to include not-for-profits who engage in advocacy for public policy reform, along with those organisations that undertake preventative strategies to address disadvantage.

ACOSS has detailed our position on the need for charitable tax law reform and the need for improved regulation for the not-for-profit sector in many of our submissions including those to the Productivity Commission's Inquiry into the contribution of the not-for-profit sector, and we draw your attention to the submissions of the Councils of Social Service for further detail.

ACOSS supports the view that the Draft Tax Ruling upholds the High Court decision regarding *Aid/Watch v Tax Commissioner*. ACOSS also endorses the submission of Changemakers Australia on the Draft Taxation Ruling, and of our colleagues the Victorian Council of Social Service.

There are some minor changes that are required to the Draft Taxation Ruling, particularly concerning language, to reduce ambiguity and unintended consequences. The recommended changes to the draft ruling to address these are discussed in the Changemakers Australia submission.



**Australian
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ACOSS also shares the concerns of Changemakers Australia regarding the special attention that the Draft Taxation Ruling relates to 'direct lobbying of politicians'. This implies that direct lobbying is restricted, when in fact lobbying is a legitimate public campaigning tool, and therefore references should be removed.

ACOSS believes that the High Court decision and the subsequent draft Taxation Ruling has overturned outdated restrictions concerning the advocacy activities of charities and presents a clearer way forward for the not-for-profit sector.

ACOSS welcomes the opportunity to clarify and/or explore further any of the points highlighted. For further information regarding this submission, don't hesitate to contact me.

Yours sincerely,

Tessa Boyd-Caine
Acting Chief Executive Officer, ACOSS

Australian Council of Social Service

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