



A – K

Detailed information about types of charities.

Ancillary fund trust deeds – states and territories



If your private ancillary fund (private AF) intends to distribute to deductible gift recipients (DGRs) that are not considered as charitable (such as government run libraries, museums and art galleries), there are specific requirements for each state and territory.

Animal welfare charities



The characteristics of an 'animal welfare charity' for the purposes of endorsement as a deductible gift recipient.

Approved research institute applicants



Guidelines to help organisations seeking approved research institute status and deductible gift recipient endorsement.

Australian disaster relief funds and tax deductible gifts



Information about the characteristics of an Australian disaster relief fund for endorsement as a deductible gift recipient.

Charitable services institution



When a charitable services institution can be endorsed by the ATO as a deductible gift recipient (DGR).

Community sheds



A community shed must meet certain requirements to be endorsed as a deductible gift recipient (DGR).

Cultural organisations



Gifts to cultural organisations may be tax deductible if they are endorsed as a deductible gift recipient (DGR).

Developed country disaster relief funds



This fact sheet explains the characteristics of a developed country disaster relief fund for endorsement as a deductible gift recipient.

Developing country relief fund or organisation



Gifts to a developing country relief fund or organisation may be tax deductible if endorsed as a DGR.

Environmental organisations



Gifts to environmental organisations may be tax deductible if they are endorsed as a deductible gift recipient (DGR).

Fire and emergency services funds



Information about fire and emergency services recipients that are public funds

Harm prevention charities



Gifts to harm prevention charities may be tax deductible if they are endorsed as a deductible gift recipient (DGR).

QC 81910

Ancillary fund trust deeds – states and territories

If your private ancillary fund (private AF) intends to distribute to deductible gift recipients (DGRs) that are not considered as charitable (such as government run libraries, museums and art galleries), there are specific requirements for each state and territory.

Last updated 6 April 2018

On this page

Australian Capital Territory

New South Wales

Northern Territory

Queensland

South Australia

Tasmania

Victoria

Western Australia

Australian Capital Territory

The Australian Capital Territory has not passed laws to enable trustees of ancillary funds to distribute money or property to DGRs that are not charitable.

An ancillary fund established using the model trust deed that is governed by the laws of the Australian Capital Territory:

- can only distribute funds to DGRs that are charitable
- cannot distribute funds to DGRs which are not charitable, without changing the model trust deed.

If the trustee of an ancillary fund that is governed by the laws of the Australian Capital Territory changes the model trust deed to allow for funds to be distributed to DGRs which are not charitable, the ancillary fund will not be charitable. This will impact its entitlement to an income tax exemption and other tax concessions.

New South Wales

Under Part 4A of the *Charitable Trust Act 1993* (New South Wales), New South Wales has passed laws that allow ancillary funds to make distributions to DGRs that are not charitable.

Section 22B of the *Charitable Trust Act 1993* (New South Wales) states that the trust deed of an ancillary fund (that is charitable), can include an express power that enables the trustee to distribute funds to DGRs, irrespective of their charitable status.

Where a deed of trust includes such a power section, 22B will operate to treat the trust as charitable for the purposes of New South Wales law, even though the trustee can provide money or property to objects that are not charitable.

For section 22B to apply, the model trust deed will need to be amended.

Amending the model trust deed in New South Wales

The model trust deed can be amended with the following example to comply with the requirements of Section 22B of the *Charitable Trust Act 1993* (New South Wales).

Example definition of eligible entity

Eligible entity – a fund, authority or institution:

1. which is charitable or would be a 'charity' within the meaning of the *Charities Act 2013* (Commonwealth) if it were not a 'government entity' as defined in that Act; and
2. gifts to which are deductible under item 1 of the table in section 30-15 of the ITAA 1997.

Alternatively, section 22C of the *Charitable Trust Act 1993* (New South Wales) provides that where a trust deed does not contain an express power to enable the trustee to distribute to non-charitable DGRs, the trustee can make a declaration allowing the trustee to distribute funds to DGRs irrespective of their charitable status.

Where a trustee makes such a declaration, no amendment of the model trust deed is required. The declaration must be retained with the records of the trust.

Funds distributed to non-charitable DGRs in accordance with a declaration can only be distributed to DGRs that would be a charity within the meaning of the *Charities Act 2013* (Commonwealth) if it were not a 'government entity' as defined in that Act.

Northern Territory

The Northern Territory has not passed laws to enable trustees of ancillary funds to distribute money or property to DGRs that are not charitable.

An ancillary fund established using the model trust deed that is governed by the laws of the Northern Territory:

- can only distribute funds to DGRs that are charitable
- cannot distribute funds to DGRs which are not charitable, without changing the model trust deed.

If the trustee of an ancillary fund established using the model trust deed that is governed by the laws of the Northern Territory changes the model trust deed to allow for funds to be distributed to DGRs which are not charitable, the ancillary fund will not be charitable. This will impact its entitlement to an income tax exemption and other tax concessions.

Queensland

Under Part 9 of the *Trusts Act 1973* (Queensland), Queensland has passed laws that enable ancillary funds to make distributions to DGRs that are not charitable.

Section 108 of the *Trusts Act 1973* (Queensland) states that the trust deed of an ancillary fund (that is charitable), can include an express power that enables the trustee to distribute funds to DGRs, irrespective of their charitable status.

Where a deed of trust includes such a power, section 108 will operate to treat the trust as charitable for the purposes of Queensland law even though the trustee can provide money or property to objects that are not charitable.

For section 108 to apply, the model trust deed will need to be amended.

Amending the model trust deed in Queensland

The model trust deed can be amended with this example to comply with the requirements of Section 108 of the *Trusts Act 1973* (Queensland).

Example definition of Eligible entity

Eligible entity – a fund, authority or institution:

1. which is charitable or would be a 'charity' within the meaning of the *Charities Act 2013* (Commonwealth) if it were not a 'government entity' as defined in that Act; and
2. gifts to which are deductible under item 1 of the table in section 30-15 of the ITAA 1997.

Alternatively, section 109 of the *Trusts Act 1973* (Queensland) provides that where a trust deed does not contain an express power to enable the trustee to distribute to non-charitable DGRs, the trustee can make a declaration allowing the trustee to distribute funds to DGRs irrespective of their charitable status.

Where a trustee makes such a declaration no amendment of the model trust deed is required. The declaration must be retained with the

records of the trust.

Funds distributed to non-charitable DGRs in accordance with a declaration can only be distributed to DGRs that would be a 'charity' within the meaning of the *Charities Act 2013* (Commonwealth) if it were not a 'government entity' as defined in that Act.

South Australia

Under Part 4 of the *Trustee Act 1936* (South Australia), South Australia has passed laws that enable ancillary funds to make distributions to DGRs that are not charitable.

Section 69D of the *Trustee Act 1936* (South Australia) states that a trust to provide money or property to or for an entity that would (but for its connection to government) be a charity, is charitable.

Section 69D operates to treat such a trust as charitable for the purposes of South Australian law, even though the trustee can provide money or property to objects that are not charitable.

For section 69D to apply the model trust deed will need to be amended.

Amending the model trust deed in South Australia

The model trust deed can be amended with this example to comply with the requirements of Section 69D of the *Trustee Act 1936* (South Australia).

Example definition of Eligible entity

Eligible entity – a fund, authority or institution:

1. which is charitable or would be a 'charity' within the meaning of the *Charities Act 2013* (Commonwealth) if it were not a 'government entity' as defined in that Act; and
2. gifts to which are deductible under item 1 of the table in section 30-15 of the ITAA 1997.

Tasmania

Tasmania has not passed laws to enable trustees of ancillary funds to distribute money or property to DGRs that are not charitable.

An ancillary fund established using the model trust deed that is governed by the laws of Tasmania:

- can only distribute funds to DGRs that are charitable
- cannot distribute funds to DGRs which are not charitable, without changing the model trust deed.

If the trustee of an ancillary fund that is governed by the laws of Tasmania changes the model trust deed to allow for funds to be distributed to DGRs which are not charitable, the ancillary fund will not be charitable. This will impact its entitlement to an income tax exemption and other tax concessions.

Victoria

Under section 7K of the *Charities Act 1978* (Victoria), Victoria has passed laws that enable ancillary funds to make distributions to DGRs that are not charitable.

Section 7K of the *Charities Act 1978* (Victoria) provides that the trustee of a charitable trust has the power to make distributions to DGRs that, but for a connection to government, would be charities. A trustee cannot exercise the power in section 7K without making a declaration.

Where a trustee makes such a declaration, the declaration must be retained with the records of the trust.

Where an ancillary fund established in Victoria using the model trust deed makes a declaration under with Section 7K of the *Charities Act 1978* (Victoria), the ancillary fund can distribute funds to a DGR that is governmental. If not governmental, it would need to be listed as a charity within the *Charities Act 2013* (Commonwealth).

Western Australia

Under Part VA of the *Charitable Trusts Act 1962* (Western Australia), Western Australia has passed laws that enable ancillary funds to make distributions to DGRs that are not charitable.

Section 22B of the *Charitable Trusts Act 1962* (Western Australia) states that the trust deed of a charitable ancillary fund can include an express power that enables the trustee to distribute funds to DGRs, irrespective of their charitable status.

Where a deed of trust includes such a power, section 22B will operate to treat the trust as charitable for the purposes of Western Australian law, even though the trustee can provide money or property to objects that are not charitable.

For section 22B to apply, the model trust deed will need to be amended.

Amending the model trust deed in Western Australia

The model trust deed can be amended with the this example to comply with the requirements of Section 22B of the *Charitable Trusts Act 1962* (Western Australia).

Example definition of Eligible entity

Eligible entity – a fund, authority or institution:

1. which is charitable or would be a 'charity' within the meaning of the *Charities Act 2013* (Commonwealth) if it were not a 'government entity' as defined in that Act; and
2. gifts to which are deductible under item 1 of the table in section 30-15 of the ITAA 1997.

Alternatively Section 22C of the *Charitable Trusts Act 1962* (Western Australia) provides that where a trust deed does not contain an express power to enable the trustee to distribute to non-charitable DGRs, the trustee can make a declaration allowing the trustee to distribute funds to DGRs, irrespective of their charitable status.

Where a trustee makes such a declaration, no amendment to the model trust deed is required. The declaration must be retained with the records of the trust.

Funds distributed to non-charitable DGRs in accordance with a declaration can only be distributed to DGRs that would be a charity

within the meaning of the *Charities Act 2013* (Commonwealth) if it were not a 'government entity' as defined in that Act.

QC 54986

Animal welfare charities

The characteristics of an 'animal welfare charity' for the purposes of endorsement as a deductible gift recipient.

Last updated 12 October 2016

On this page

What is an animal welfare charity?

What are the activities of an animal welfare charity?

This information explains the characteristics of an animal welfare charity for the purposes of endorsement as a deductible gift recipient (DGR).

The meaning of animal for this purpose is broad and includes land animals, reptiles, birds, fish and other aquatic animals.

Animals that are lost, mistreated or without owners must be the focus of the animal welfare charity's principal activity.

The principal activity of the animal welfare charity must not be limited to native wildlife. A mix of native wildlife and other animals is acceptable.

Next steps:

- Can I be endorsed as a deductible gift recipient?
- Application for endorsement as a deductible gift recipient (NAT 2948)
- Animal welfare charity - schedule for deductible gift recipient applicants

See also:

- For organisations whose focus is native wildlife only, refer to **Environmental organisations**

What is an animal welfare charity?

An animal welfare charity is an organisation that has the following characteristics:

- It is a charity that is registered with the ACNC.
- It is an institution whose principal activity is one or both of the following
 - 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.

What are the activities of an animal welfare charity?

- [Principal activity](#)
- [Short-term direct care](#)
- [Rehabilitation](#)

An animal welfare charity's principal activity must be either or both of:

- providing short-term direct care of the animals
- rehabilitating the animals that are orphaned, sick or injured.

Such care and rehabilitation can cover a broad range of activities that are not limited to veterinary services.

Principal activity

An animal welfare charity's principal activity must be either or both of the following:

- 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.

If one or both of these are the charitable institution's sole activity, it will qualify as an animal welfare charity. If not, at least one of these activities must outweigh all of the charity's other activities.

Examples of secondary activities undertaken by animal welfare charities can include providing veterinary services for pets and working animals, promoting the prevention of cruelty to animals and operating boarding kennels.

To determine the principal activity, you will have to take into account various factors including the involvement of staff and volunteers, the numbers and types of services provided, expenditure, and the use of facilities and resources.

Short-term direct care

There are several examples of what could qualify as short term direct care. These are:

- veterinary services for animals' injuries and illnesses
- recovery, first aid and transport of injured animals
- washing and grooming lost animals and ridding them of fleas and ticks
- feeding and sheltering animals in the short term while their owners are contacted or new homes are found.

If animals are not recovering from injury or sickness and are not in need of rehabilitation, ongoing care for them will not qualify.

Rehabilitation

Rehabilitation varies with the needs and condition of the animals that are orphaned, sick or injured but includes:

- training an orphaned animal to interact safely with humans
- providing care to return animals to health
- training injured animals to walk and eat again.

Animals that have received short-term direct care can receive the rehabilitation services.

Care provided after the animals have been rehabilitated does not qualify.

Activities or organisations that do not qualify are:

- lobbying and public education activities
- breeding and showing activities
- training veterinarians, veterinary nurses and animal carers
- organisations such as nature reserves, animal sanctuaries and zoos.

QC 26500

Approved research institute applicants

Guidelines to help organisations seeking approved research institute status and deductible gift recipient endorsement.

Last updated 30 August 2024

On this page

[Before you apply](#)

[DGR endorsement](#)

[What is an approved research institute](#)

[Requirements for ARI approval](#)

[How to apply for DGR endorsement](#)

Before you apply

The guidelines for approved research institute applicants explain whether an organisation can be endorsed by the ATO as a deductible

gift recipient (DGR) under the general DGR category of 'Approved Research Institute'.

Make sure you understand all the requirements before you apply for DGR endorsement under the general DGR category of 'Approved Research Institute'.

DGR endorsement

An organisation, or part of an organisation, is eligible for DGR endorsement under the general DGR category of 'Approved Research Institute' if:

- it is an [approved research institute](#)
- it meets the general Deductible gift recipient eligibility requirements
 - the 'In Australia' condition
 - maintains a gift fund, if required
 - an appropriate DGR winding up and revocation clause
- from 14 December 2021, it is one of the following
 - an Australian government agency
 - a registered charity with the Australian Charities and Not-for-profits Commission (ACNC)
 - operated by an Australian government agency or a registered charity.

For more information, see [DGRs required to be a registered charity](#).

What is an approved research institute

An approved research institute (ARI) is either:

- the Commonwealth Scientific and Industrial Research Organisation (CSIRO)
- any university, college, institute, association or organisation that has been approved
 - in writing by the one of the [approving authorities](#)

- as an institution, association or organisation for [undertaking scientific research](#) which is, or may prove to be, of value to Australia.

An ARI may be:

- a registered charity, such as a public university or college
- a government authority
- an institution, association or organisation that is part of an entity, such as a section of a government department or a research institute that is operated by a public university.

An organisation approved as an ARI may also be eligible for endorsement as a DGR.

Approving authorities

The approving authorities are:

- CSIRO
- National Health and Medical Research Council (NHMRC)
- Department of Education's Research Policy and Programs Branch.

Requirements for ARI approval

For a body (that is, a university, college, institute, association or organisation) to gain approval as an ARI it must:

- be a not-for-profit institution, association or organisation in Australia
- be [undertaking scientific research](#) which is, or may prove to be, of value to Australia
- have a suitably qualified [research committee](#) that evaluates the merits of proposed research programs and determines how any research funds held are applied to research purposes
- have an administrative structure capable of, and responsible for, the management of gifts to ensure that they are used only for scientific research
- have all tax-deductible [gifts](#) for this purpose accounted for separately and used exclusively for scientific research

- have an appropriate winding up and revocation clause that ensures in the event of winding up or upon revocation of endorsement as a DGR, any surplus remaining is to be transferred to an institute with similar objects and entitled to receive tax-deductible gifts.

Sample winding up and revocation clauses are available, depending on if you are:

- endorsed as a whole
- endorsement for the operation of a fund, authority or institution.

Undertaking scientific research

An ARI is any institute which is approved in writing for **undertaking scientific research which is, or may prove to be, of value to Australia**.

Scientific research means any activity in the fields of natural or applied science for the extension of knowledge.

Definitions (for the purposes of an ARI application) include:

- Natural science is the study of material phenomena of animate and inanimate things, including subjects such as physics, chemistry, biology, astronomy.
- Applied science is the application of some branch of science for the solution of practical problems (it is not confined to the natural sciences).
- Extension of knowledge is an extension of or addition to the sum total of knowledge, not an extension of the field over which knowledge already known is spread. The definition doesn't include activities relating to the dissemination of existing knowledge such as the provision of scholarships for students, the organisation of conferences, congresses and symposia and the publication of information (other than the results of the ARI's own research work, undertaken through this program).

Research committee

To gain ARI status it is necessary to have a research committee of at least 5 people, the majority of whom are appropriately qualified in the field of research that is to be undertaken or have appropriate experience in reviewing research.

The research committee must take sole responsibility for ensuring that the research undertaken is scientific in nature and that it is, or may prove to be, of value to Australia.

The research committee must have effective control over the disbursement of funds within the institute's [research fund account](#).

Membership of the committee is subject to the prior approval of the approving authority. Individuals should:

- be nominated based on their proven ability to direct a research program, as evidenced by their academic qualifications and professional appointments
- have consent from all other research committee members
- give their consent to join the research committee.

All subsequent changes in the membership of a committee require the prior approval of the approving authority.

The institute's documentation should make clear that it is the research committee that has the power to determine the research activities which are to be funded from the research fund.

Conducting research and sub-contracting

To gain ARI approval, institutes should conduct their own research. However, they will be able to sub-contract out a portion of their research to appropriately qualified researchers or research bodies. In such circumstances, all of the following conditions must be met:

- The institute retains control over the research being conducted by the contractor.
- The institute retains effective ownership of the results of the research.
- The institute identifies the research work that will be contracted out and satisfies the approving authority of the need to outsource that work to meet research objectives.

Retains control

When research activities are carried out by or on behalf of an institute, it is expected that the institute (via the research committee) will have and exercise proper control over the conduct of those activities.

Essential elements of control of the conduct of research activities are the capacity to decide on major changes of direction in those activities, the ability to stop an unproductive line of research, the scope to follow up or otherwise on an unexpected result and, ultimately, the power to end a project.

Retains effective ownership

The institute must have effective ownership of the results of research activities. Where activities are carried out by or on behalf of an institute, they generally get results which they can effectively own.

Some theoretical rights of ownership may be given to others without denying this effective ownership of the institute. For example, an institute that has contracted out research activities may permit the researcher certain rights of scientific publication. The institute would nevertheless be the effective owner of the results and would be required to make them available to all interested parties on equal terms.

The [approving authority](#) will seek additional information from the applicant if required to make a full assessment of eligibility for ARI approval.

Publication of results of research

An ARI must openly publish the results of their research, in the scientific and technical press. Any Australian patents issued during such research should be made available to all interested parties, on equal terms.

Research fund account

The approving authorities require a separate research fund account to be kept and all gifts, deductible contributions and money related to them be paid into this account. You need to organise an independent audit of the research fund account annually.


An ARI must ensure all gifts received be used exclusively for the purpose of approved scientific research in the fields of natural or applied science. The institute needs to account for the use of these gifts.

Gift fund

An organisation endorsed as a DGR for the operation of an ARI must maintain a **gift fund** for DGR purposes. The research fund account can also be the gift fund, as long as it meets the requirements of a gift fund.

How to apply for DGR endorsement

There are 2 ways to apply for DGR endorsement:

- If you will be applying for registration as a charity with the ACNC, you can apply to us for DGR endorsement on the ACNC's registration application form.
- If you are an Australian government agency or already registered as a charity, you can apply directly to us for DGR endorsement – complete and submit all of the following:
 - Application for endorsement as a deductible gift recipient
 - [Approved research institute – application checklist](#) 

QC 22796

Australian disaster relief funds and tax deductible gifts

Information about the characteristics of an Australian disaster relief fund for endorsement as a deductible gift recipient.

Last updated 29 July 2020

On this page

Characteristics of an Australian disaster relief fund (ADRF)

Characteristics of a disaster

For a fund to receive income tax deductible gifts it must be endorsed by us as a deductible gift recipient (DGR).

Read this to find out what the characteristics of an Australian disaster relief fund is and whether your fund can qualify as one.

Find out more:

- [Characteristics of an Australian disaster relief fund](#)
- [Characteristics of a disaster](#)
- [How long does my fund have to receive tax deductible gifts?](#)

Characteristics of an Australian disaster relief fund (ADRF)

An ADRF is a public fund (including a public fund established and maintained by a registered public benevolent institution) that has the following characteristics:

- the fund is either:
 - a registered charity or operated by a registered charity
 - an Australian government agency or operated by an Australian government agency.
- the fund is established and maintained solely for providing money for the relief (including relief by way of assistance to re-establish a community) of people in Australia in distress as a result of a disaster that is outlined under **characteristics of a disaster**.

See also:

- Public funds
- Public Benevolent Institution

Registered charity


A registered charity is an entity that is registered with the Australian Charities and Not-for-profits Commission (ACNC) as a charity.

A registered public benevolent institution (PBI) is an institution that is both a registered charity and registered with the ACNC as a PBI.

If your fund is an entity in its own right, it must be a registered charity.

If the fund is part of an organisation, the organisation operating the fund must be a registered charity. If the organisation operating the fund is a PBI, it must be registered with the ACNC as both a charity and a PBI.

See also:

- For more information about charity registration, visit the ACNC website at acnc.gov.au 

Types of relief

Disaster relief can cover a broad range of activities. These will vary with the nature of the disaster, and may include providing:

- emergency shelter
- health care and food supplies
- relief for people through
 - trauma counselling
 - work on buildings
 - amenities
 - locations
 - infrastructure.

Repairing and reconstructing infrastructure could include:

- rebuilding community buildings damaged by a disaster such as
 - aged care homes
 - halls
 - churches
 - schools
- replacing equipment used for community and owned by community organisations, that is damaged by a disaster.

Providing resources and facilities for use in relieving the distress could include:

- coordinating clean-up operations after a disaster
- transporting and storing emergency supplies for people in outlying areas following a widespread fire or flood.

Relief can also be provided by preventing further danger from the disaster. Such relief could include:

- building retaining structures to prevent landslides following the loss of vegetation from a cyclone
- securing structures to limit damage if aftershocks follow an earthquake
- preventing the spread of disease after a flood.

Exclusions

While there are many types of relief for which an ADRF could provide money, it must not provide money for activities that are:

- for the relief of distress that is not a result of the disaster
- for people outside Australia
- not for the relief of people
- unrelated to the disaster.

If an ADRF is making grants to various individuals and organisations, an application form can help provide assurance that its money will only be provided for acceptable uses.

See also:

- People who are victims of disasters **outside Australia** - refer to Developing country relief fund or organisation and Developed country disaster relief funds
- People who are victims of disasters **inside Australia** - refer to DGR Category - Necessitous circumstances fund and Is your organisation a public benevolent institution?
- Animals - refer to Environmental organisations and Animal welfare charities

Next steps:

- Running Australian disaster relief funds

- Application for endorsement as a deductible gift recipient (NAT 2948)
- Australian disaster relief fund - schedule for deductible gift recipient applicants (NAT 15609)

Characteristics of a disaster

The disaster must be one of the following:

- is declared by a treasury minister as a disaster
- is declared to be a disaster by, or with the approval of, a minister of a state or territory under the law of the state or territory
- gives rise to a declaration of a state of emergency by, or with the approval of, a minister of a state or territory under the law of the state or territory.

A treasury minister may declare a disaster if the minister is satisfied that the disaster both:

- developed rapidly
- resulted in widespread damage or physical suffering.

The declaration must be announced publicly and must specify the day (or the first day) the disaster is taken to have occurred or started.

Developed rapidly classification

A disaster might be considered to have developed rapidly if it developed over a number of weeks.

Disasters that are likely to be eligible under this category include:

- fire
- earthquake
- flood
- storm, including hailstorm
- cyclone, including typhoon and hurricane
- storm surge
- tornado

- landslide
- tsunami
- meteorite strike
- volcanic eruption
- plague
- terrorist act
- large-scale transport accident or chemical accident
- epidemic or war-like action
- crop and animal diseases (if they develop very quickly).

Example

A bushfire started in thick forest in a remote area of South Australia. The fire burned for 17 days, growing in intensity before it reached the town of Bertsvale, causing substantial damage. For the purposes of this category, the fire is considered to have developed rapidly.

When something has not developed rapidly

A disaster will not be considered to have developed rapidly if it developed over a number of years.

Disasters that are not likely to be eligible under this category include:

- global warming
- drought
- land salinity
- soil erosion.

Classification for resulting in widespread damage or physical suffering

The disaster must have resulted in one or both of the following:

- the death, serious injury or other physical suffering of a large number of people

- widespread damage to property or the natural environment.

Disasters will frequently have both these characteristics, but either is sufficient.

It would be uncommon for a declared disaster to have only limited results. Nonetheless, if a large number of people are not harmed or the damage is not widespread in terms of the type of disaster, it will not qualify.

Whether damage is widespread may be affected by the nature of the disaster. For example, while the presence of a crop disease on one 30 hectare farm may not be widespread damage, the damage caused by a fire through the same area in a city may be widespread.

Time funds have to receive tax-deductible gifts

Under the Australian disaster relief fund category, a public fund is entitled to receive tax-deductible gifts for two years from either:

- the date specified in a treasury minister's declaration of disaster
- the date of the disaster or emergency specified in a declaration made by the state or territory minister, or the date of that declaration.

QC 18995

Charitable services institution

When a charitable services institution can be endorsed by the ATO as a deductible gift recipient (DGR).

Last updated 26 November 2018

A charitable services institution (CSI) can receive income tax deductible gifts if it is endorsed as a deductible gift recipient (DGR).

See also

- [Australian Charities and Not-for-profits Commission \(ACNC\)](#) 
- Public Benevolent Institution

- Health Promotion Charity
- Harm prevention charities
- Apply for DGR endorsement

Characteristics of a charitable services institution

A CSI is an organisation that is both:

- a charity registered by the Australian Charities and Not-for-profits Commission (ACNC)
- an institution that would be a public benevolent institution (PBI) except it undertakes one or both of the following
 - promoting the prevention or control of diseases in human beings (health promotion activities) but not as their main activity
 - promoting the prevention or the control of behaviour that is harmful or abusive to human beings (harm prevention activities), but not as their main activity.

These organisations do not fall into the DGR categories of health promotion charity, harm prevention or PBI.

Example – CSI eligible for DGR endorsement

Caring Charities is an institution that is a charity whose focus is relieving poverty and improving health in relation to a particular disease.

Caring Charities provides:

- hostel accommodation for the homeless
- health information about the disease to health professionals, carers and the public.

Providing health information accounts for 45% of its activities.

Caring Charities also prepares and publishes research papers about poverty, but these activities are minor in extent and importance.

Caring Charities would qualify as a public benevolent institution except that it provides health information about a disease. As this is not its main activity, Caring Charities is eligible for DGR endorsement under the CSI category.

Example – not eligible as a CSI

Nalla Care is an institution that is a charity whose activities include:

- operating a homeless shelter
- running community health activities
- operating a kindergarten.

Running the community health program amounts to 20% of Nalla Care's activities. Nalla Care is equally engaged in the other two operations – the homeless shelter and the kindergarten.

Although operating the homeless shelter is a PBI activity (it offers relief to persons affected by poverty, sickness or disability) and the community health activities are not the organisation's main activity, Nalla Care is not a CSI. This is because the operation of the kindergarten does not provide any benevolent relief and is a major part of the charity's activities.

Therefore Nalla Care is not eligible for DGR endorsement.

QC 26359

Community sheds

A community shed must meet certain requirements to be endorsed as a deductible gift recipient (DGR).

Last updated 30 May 2025

On this page

What is a community shed

Eligibility criteria for DGR endorsement

Characteristics of a community shed

Applying to be DGR endorsed

Responsibilities as a DGR endorsed community shed

Tax-deductible gifts and donations

What is a community shed

Community sheds (such as men's sheds and women's sheds) are not-for-profit organisations that provide a range of activities for their members with the purpose of advancing mental health and preventing or relieving social isolation.

From 1 October 2020, a new general category of deductible gift recipients (DGR) for community sheds is available. It is listed on the **DGR table** as Item number 1.1.9 A community shed.

Community sheds that are DGR endorsed can mention their tax-deductible status on their website or material. Donors who donate \$2 or more to a DGR endorsed community shed will generally be able to claim an income tax deduction.

This information explains the requirements that a community shed must satisfy to be endorsed by us as a DGR.

Eligibility criteria for DGR endorsement

A community shed will need to meet all the following criteria to be eligible for DGR endorsement. It must:

- have an active ABN
- have the [characteristics](#) of a community shed
- be located in Australia
- be registered as a charity with the Australian Charities and Not-for-profits Commission (ACNC)

- have a DGR winding up and revocation clause.

A community shed is not required to have 'community' or 'shed' in its name to be eligible for DGR endorsement.

Characteristics of a community shed

A **community shed** is a public institution with all the following characteristics:

- Its dominant purposes are advancing mental health and preventing or relieving social isolation.
- Its purposes are advanced principally by
 - providing a physical location
 - supporting individuals to work on projects or undertake other activities in the company of others at that location.
- It has either
 - open membership
 - membership open to persons of a particular gender or with Indigenous heritage or both.

Public institution

A community shed must be a public institution, which is an organisation with a distinct structure that undertakes activities on its own behalf.

For an institution to be a public institution it must be open to the public (or a sufficient section of the community) and not be carried on for private profit or gain.

Dominant purposes of a community shed

Community sheds include diverse organisations such as men's sheds and women's sheds. They do a range of activities, such as sharing hobbies and interests or participating in community projects.

The activities of a community shed must support the dominant purposes of advancing mental health and preventing or relieving social isolation.

Open membership requirements

A community shed must be open to the community to join and generally not impose criteria restricting membership based on matters such as age, ethnicity or background.

Rejecting an application for arbitrary reasons will not constitute open membership.

Membership may only be restricted in relation to gender or indigenous heritage or both. There are a small number of other exceptional reasons for restricting membership. For example:

- age restrictions in your state or territory
- capacity reached by the shed
- failing a working with children check required by the premises.

Community sheds that are incorporated often adopt model rules provided by their state or territory regulator. Model rules contain clauses that describe how new members can join your organisation.

In some cases, rules require new members to be nominated by a current member and approved by a committee. Nomination and approval rules will meet open membership requirements where the nomination and approval process results in all new members being approved for membership without restriction or discrimination.

To meet the open membership requirements, you must have a policy and process in place that clearly demonstrates all new members are nominated and approved without exception. This should be reflected in your governing rules.

Example 1: meets open membership

Westlink Men's Shed has adopted the model rules provided by the Queensland Office of Fair Trading. Westlink's rules specify that when new members want to join, they must be nominated by an existing member and approved by the committee.

Westlink follows the procedures for new members set out in their rules, however their committee has a policy and process in place to ensure that all new member applications are nominated and approved without exception. This policy and process is clearly

documented in the governing rules and provided in the application information for new members.

Westlink meets the open membership requirements.

Example 2: does not meet open membership

Northside Women's Shed uses the model rules provided by the Department of Commerce in Western Australia. Northside's rules specify that when new members want to join, they must be nominated by an existing member and approved by the committee. The committee has the ability to arbitrarily accept or refuse membership.

Northside's Committee doesn't have a policy and process in place to ensure all new members are approved.

Northside doesn't meet the open membership requirements and will not be eligible for DGR endorsement.

Governing documents

We will review your community shed's governing documents as part of the DGR application to ensure they:


- clearly reflect what you do and how you meet the DGR category requirements
- have a DGR winding up or revocation clause.


Before applying for DGR endorsement, review your **governing documents** to ensure you meet these requirements.

Applying to be DGR endorsed

There are 2 ways to apply to be registered as a DGR under Item 1.1.9 A community shed:

- If you are already a registered charity, you can apply directly to us using the **Application for endorsement as a deductible gift recipient**.

- If you are not a registered charity or you are a newly established shed, you can apply for DGR endorsement in your [application to register as a charity](#)  with the ACNC – the ACNC will send your DGR application to us once your charity is registered.

Before applying to be registered as a charity, see the [ACNC webpage](#)  for community sheds which covers:

- eligibility requirements for registering as a charity
- completing your registration application
- ongoing obligations to the ACNC.

As part of your application, you will need to provide copies of your governing documents in either a Word or PDF file format. Image files may cause issues and may delay your application.

Backdating your DGR endorsement

If you apply for DGR endorsement after 1 October 2020, you may be able to backdate your endorsement. To be eligible for backdating, you need to have met the eligibility criteria for the previous period you want endorsement to apply.


You can apply for your endorsement to be backdated as part of the DGR application process, by adding the date you want the endorsement to be effective from. The earliest date you can be backdated under this category is 1 October 2020.

After you apply

What you can expect when we process your DGR application:

- We will contact you to confirm we have received your application, and if we require further information.
- While your application is being processed, donations you receive are not tax deductible.
- It may take up to 28 days for us to process your application, after receiving all required information.
- You will receive a notification of your application outcome in the mail.

Once you are DGR endorsed:

- your DGR status will be added to the [ABN lookup](#)  on the Australian Business Register so donors can confirm your shed can receive tax-deductible gifts
- you can update your website or material advising of your tax-deductible status.

Responsibilities as a DGR endorsed community shed

It is important to make sure you are meeting your responsibilities as a DGR endorsed community shed.

You must keep records that explain all transactions and activities relevant to your organisation's status as a DGR.

Your records must show that you have used all your gifts and deductible contributions for your DGR purpose.

You may need to consider whether you need to be registered for GST.

We recommend you conduct a review of your organisation's eligibility for DGR status each year or when there is a substantial change in your activities. You can use our **worksheet** to review your DGR status.

You must tell us in writing if your organisation is no longer entitled to DGR endorsement. You must do this before, or as soon as possible after, the entitlement ends.

For more information see:

- **Record keeping for not-for-profits**
- **GST for not-for-profits**

Tax-deductible gifts and donations

Once you are DGR endorsed, people who donate to your community shed can seek a tax deduction. Donations can be either money or property, such as tools or supplies.

There are some requirements the donation needs to meet for it to be tax deductible.

The donation must be a gift, not a contribution:

- A gift is where a donor doesn't receive a material benefit in return (for example, a donor puts \$5 in a collection box).
- A contribution is where a donor receives a material benefit in return (for example, membership fees or purchasing a ticket to a fundraising dinner).


To be tax deductible, a donor's gift must be covered by what we call a 'gift type'. Examples of gift types include:

- money of \$2 or more
- property, for example tools or supplies, that is purchased during the 12 months before making the gift, or that we value at more than \$5,000
- trading stock.

If you provide the donor with a small token of appreciation for their donation – such as a sticker, or a mention in a newsletter – the donation can still be considered a gift. However, if your acknowledgment is larger and the donor can use or benefit from it, this may prevent the donation from being a gift.


It is the responsibility of the donor to determine the value of their donation, when claiming their tax deduction.

For more information see **Gift types and conditions**.

Watch our recording of the [New DGR category for community sheds webinar](#) . You can also download a copy of the webinar slides and help sheet.

If you have any questions about your DGR endorsement application, phone us on **1300 130 248** between 8 am and 6 pm, Monday to Friday.

For more information see:

- [Community sheds](#)  on the ACNC website
- Extending deductible gift recipient status to Men's Sheds and Women's Sheds (community sheds)

Cultural organisations

Gifts to cultural organisations may be tax deductible if they are endorsed as a deductible gift recipient (DGR).

Last updated 30 May 2025

On this page

[What are cultural organisations](#)

[Changes to the Register of Cultural Organisations](#)

[Eligibility criteria for DGR endorsement](#)

[Characteristics of a cultural organisation](#)

[Applying to be DGR endorsed](#)

[Responsibilities as a DGR endorsed cultural organisation](#)

[Tax-deductible gifts and donations](#)

What are cultural organisations

Cultural organisations promote one or more of the specified cultural forms. They include choirs, dance groups, festivals, theatre groups and art exhibition venues.

Changes to the Register of Cultural Organisations

Before 1 January 2024, cultural organisations and their public fund had to be registered on the Register of Cultural Organisations, which was administered by the Department of Infrastructure, Transport, Regional Development, Communications and the Arts, to have their public fund endorsed as a deductible gift recipient (DGR).

From 1 January 2024, we administer the DGR category for cultural organisations (item number 12.1.1) and assess eligibility for endorsement.

If you were endorsed as a public fund on the Register of Cultural Organisations before 1 January 2024, transitional provisions apply.

Eligibility criteria for DGR endorsement

To be eligible for DGR endorsement as a cultural organisation the entity must:

- have an active Australian business number (ABN)
- have the characteristics of a cultural organisation:
 - be an [institution](#) that is registered with the Australian Charities and Not-for-profits Commission (ACNC) as a charity or be an Australian government agency
 - have a [principal purpose](#) that promotes one or more of the specified cultural forms
 - maintain a [gift fund](#) with an appropriate DGR winding up and revocation clause
- be located in Australia.

Characteristics of a cultural organisation

To be eligible for DGR endorsement as a cultural organisation the entity must have the characteristics of a cultural organisation.

Institution

A cultural organisation that is registered with the ACNC as a charity must also be an institution.

An institution is an organisation established to promote a defined purpose, especially one of public or general utility. An institution carries out activities that translates its purpose into a living and active principle, and can take the legal form of a trust, company or incorporated or unincorporated association. An institution is identified by its activities, size, permanence and recognition.

An institution is not:

- a fund – for example, a trust merely to manage or hold trust property to make distributions to other entities or people

- a structure with a small and exclusive membership that is controlled and operated by family members and friends and carries out limited activities.

Principal purpose of a cultural organisation

A cultural organisation's principal purpose is the main or dominant purpose for which the organisation exists. A cultural organisation can have other purposes which are incidental, ancillary, or secondary to its principal purpose.

The principal purpose must be the promotion of one or more of the specified cultural forms:

- literature
- music
- a performing art
- a visual art
- a craft
- design
- film
- video
- television
- radio
- community arts
- arts or languages of Indigenous persons
- movable cultural heritage.

We take a holistic approach in determining the substance and reality of the organisation's purpose. The objects in the organisation's constituent or **governing documents**, and the activities by which those objects are achieved, are the main factors considered when determining the purpose of the organisation. Other relevant factors can include:

- other elements in the constituent documents of the institution such as its powers, rules, not for profit and winding up clauses, and

clauses governing who can benefit from the institution's activities and in what ways

- how the institution is operated
- any legislation governing its operation
- the circumstances in which it was formed
- its history
- its control.

Organisations that are not cultural organisations

Organisations with a principal purpose outside of the promotion of the specified cultural forms are not considered as cultural organisations including the promotion of other matters that may be considered 'cultural' in other contexts, such as traditions, norms, languages and religions.

Direct and indirect activities

The term promotion is not defined by the legislation and has its ordinary meaning. The definition of promotion includes furtherance or encouragement.

The use of the word 'promotion' means that cultural organisations may promote their specified cultural form(s) in a wide variety of ways, which can be directly or indirectly.

Direct activities may include (but are not limited to):

- creating or producing art and culture for a public audience
- presenting or exhibiting art, culture and movable cultural heritage created or produced by others
- educating the public about a specified cultural form, including through research and publishing
- providing training in an art, craft or cultural form
- preserving works of art or items of movable cultural heritage.

Indirect activities may include (but are not limited to):

- awards, scholarships, grants, commissions or prizes to artists or practitioners

- direct partnerships with individuals or organisations
- raising funds to purchase or create an asset or property that will be owned by, or transferred to, another entity.

Gift fund

Cultural organisations must maintain a gift fund, and gifts must be received by the organisation's gift fund. A cultural organisation must use its gift fund for its principal purpose only.

The following **gift fund requirements** must be met:

- it is a fund
- it is maintained and used only for the principal purpose of the organisation
- all gifts and deductible contributions of money or property for that purpose are made to it
- any money received by the organisation, because of such gifts or deductible contributions, is credited to it
- it doesn't receive any other money or property.

The gift fund should be set up as part of your organisation. The gift fund may have its own rules or constitution, or they may be part of the governing documents of your organisation.

The rules or governing documents should provide evidence of the gift fund's existence, name, purpose and operations.

Most organisations must be required by a law, its constituent documents or governing rules – to transfer any surplus assets of the gift fund to another gift deductible fund, authority or institution when the organisation is wound up or the DGR endorsement is revoked, whichever occurs first (DGR winding up and revocation requirement). This requirement can be met by including a **DGR winding up and revocation** clause in the rules of the gift fund.

Sample DGR winding up and revocation clause

If the organisation is wound up or if the endorsement (if any) of the organisation as a deductible gift recipient is revoked, any surplus assets of the gift fund remaining after the payment of

liabilities attributable to it, shall be transferred to a fund, authority or institution to which income tax-deductible gifts can be made.

If the organisation is a registered charity, the clause must state that the surplus assets of the gift fund shall be transferred to a charity with a similar charitable purpose to which income tax-deductible gifts can be made to.

Organisations don't need to meet the DGR winding up and revocation requirement if they are established by an Act of the Commonwealth Parliament, and that Act, or another Act, doesn't provide for the winding up or termination of the entity. A gift fund is still required.

Applying to be DGR endorsed

There are 2 ways to apply to be registered as a DGR under Item 12.1.1 - Cultural organisation:

- If you are currently applying for registration as a charity with the Australian Charities and Not-for-profits Commission (ACNC), you can apply to us for DGR endorsement on the ACNC's registration application form – the ACNC will send your DGR application to us once your charity is registered.
- If you have an ABN, and you're either already registered as a charity or are an Australian government agency, you can complete our **Application for endorsement as a deductible gift recipient form**.

In your application, you will have to include:


- a completed **Cultural organisation schedule** for deductible gift recipient applicants
- evidence documents (if applicable)
- a copy of your constituent or governing documents in either a Word or PDF file format. Image files may cause issues and may delay your application.

After you apply

What you can expect when we process your DGR application:

- we will contact you to confirm we have received your application, and if we require further information
- while your application is being processed, donations you receive are not tax deductible
- after receiving all required information, it may take up to 28 days for us to process your application
- you will receive a notification of your application outcome in the mail.

Once you are DGR endorsed:

- your DGR status will be added to the [ABN lookup](#)  on the Australian Business Register so donors can confirm your cultural organisation can receive tax-deductible gifts
- you can update your website or material advising of your tax-deductible status.


Responsibilities as a DGR endorsed cultural organisation

It is important to make sure you are meeting your responsibilities as a DGR endorsed cultural organisation.

You must **keep records** that explain all transactions and activities relevant to your organisation's status as a DGR.

Your records must show that you have used all your gifts and deductible contributions for your principal purpose.

Receipts for donations must be issued in the name of the organisation not the gift fund. You should consider whether you need to be registered for **goods and services tax (GST)**, fringe benefits tax (FBT) or PAYG withholding.

If your organisation is registered with the ACNC, you must keep records, report each year to the ACNC via the [Annual information statement](#)  and tell us if your charity's details change.

We recommend you conduct a review of your organisation's eligibility for DGR status each year or when there is a substantial change in your activities. You can use our **worksheet** to review your DGR status.

You must tell us in writing if your organisation is no longer entitled to DGR endorsement. You must do this before, or as soon as possible after, the entitlement ends.

Tax-deductible gifts and donations

Once you are DGR endorsed, people who donate to your cultural organisation can seek a tax deduction. Donations can be either money or property.

There are **some requirements** that donations need to meet to be tax deductible.

The donation must be a gift, not a contribution:

- A gift is where a donor does not receive a material benefit in return (for example, a donor puts \$5 in a collection box).
- A contribution is where a donor receives a material benefit in return (for example, membership fees or purchasing a ticket to a fundraising dinner).

If you provide the donor with a small token of appreciation for their donation – such as a sticker, or a mention in a newsletter – the donation can still be considered a gift. However, if your acknowledgment is larger and the donor can use or benefit from it, this may prevent the donation being considered a gift.

It is the responsibility of the donor to determine whether the donation is a tax-deductible gift.

The types of donations that can be tax deductible gifts include:

- money of \$2 or more
- property that is purchased during the 12 months before making the gift or that we value at more than \$5,000
- trading stock.

Developed country disaster relief funds

This fact sheet explains the characteristics of a developed country disaster relief fund for endorsement as a deductible gift recipient.

Last updated 12 October 2016

On this page

Characteristics of a developed country disaster relief fund

Established and maintained by a registered PBI

Disasters

Relief of people in a developed country

Time limits for tax deductible gifts

Next steps

- Application for endorsement as a deductible gift recipient
- Developed country disaster relief fund - schedule for deductible gift recipient applicants

See also

- Australian disaster relief fund and tax deductible gifts
- DGR Category - Necessitous circumstances fund
- Public Benevolent Institution

Characteristics of a developed country disaster relief fund

A developed country disaster relief fund is a public fund that has the following characteristics:

- the fund is either

- set up and controlled by a registered public benevolent institution (PBI), if the fund is an entity in its own right
- operated by a registered PBI
- the fund is established and maintained by the registered PBI solely for providing money for the relief (including relief by way of assistance to re-establish a community) of people in a country other than
 - Australia
 - a country declared by the Minister for Foreign Affairs to be a developing country
- the people of the country are in distress as a result of a disaster
- the disaster is recognised by a Treasury Minister as a disaster.

See also

- Public funds
- Public benevolent institution

Established and maintained by a registered PBI

The fund must be established and maintained by a registered PBI.

If the fund is part of a registered PBI this requirement will be satisfied. The registered PBI should ensure the fund's money is not directed to the PBI's other purposes.

If the fund is an entity in its own right (such as a trust or a company), relevant matters include:

- the registered PBI's role in setting up the fund
- the registered PBI's control of the fund
- the registered PBI's role in supporting and resourcing the fund
- the connection or integration of the activities of the fund and the registered PBI.

It is not enough that the registered PBI helps or works with the fund, or that there is a close connection in their operations.

The registered PBI must have established the fund and it must continue to maintain it.

See also

- Is your organisation a public benevolent institution?

Disasters

We maintain a **list of disasters** for which developed country disaster relief funds can provide money.

To qualify, the disaster must be one which is recognised by a Treasury Minister as a disaster.

The Minister's recognition of a disaster must be announced publicly and must specify the day (or the first day) the disaster is taken to have occurred or commenced.

See also

- List of disasters

Relief of people in a developed country

A developed country disaster relief fund must be established and maintained solely for providing money for the relief of people. The people must be in distress as a result of a disaster.

The relief must be for people in a country that is **not** Australia and not a country declared by the Minister for Foreign Affairs to be a developing country. The relief can be by way of assistance to re-establish a community.

Relief can cover a broad range of activities, which will vary with the nature of the disaster and the types of distress being suffered, and may include:

- emergency shelter
- health care and food supplies
- relief for people through trauma counselling and through work on buildings, amenities, locations and infrastructure.

Repairing and reconstructing infrastructure could include:

- rebuilding community buildings such as aged persons homes, halls, churches and schools damaged by a flood
- replacing equipment used for community organisations that is damaged in a severe storm.

Providing resources and facilities for use in relieving the distress could include:

- coordinating clean-up operations after a disaster
- transporting and storing emergency supplies for people in outlying areas following a widespread fire or flood.

Relief can also be provided by preventing further danger from the disaster. Such relief could include:

- building retaining structures to prevent landslides following the loss of vegetation from a hurricane
- securing structures to limit damage if aftershocks follow an earthquake
- preventing the spread of disease after a flood.

While there are many types of relief for which a developed country disaster relief fund could provide money, it must not provide money for activities that are:

- for the relief of distress that is not a result of the disaster
- for people in a developing country or in Australia
- not for the relief of people
- unrelated to the disaster.

Where a developed country disaster relief fund is making grants to various individuals and/or organisations, an application form can help provide assurance that its money will only be provided for acceptable uses.

If your organisation does not meet the requirements of the developed country disaster relief fund DGR category and it wants to collect tax deductible donations for:

Time limits for tax deductible gifts

Under the developed country disaster relief fund category, a public fund is entitled to receive tax deductible gifts for two years from the date specified in a Treasury Minister's declaration as the day (or the first day) of the disaster.

QC 18997

Developing country relief fund or organisation

Gifts to a developing country relief fund or organisation may be tax deductible if endorsed as a DGR.

Last updated 30 May 2025

On this page

[What is a developing country relief fund or organisation](#)

[Changes to the Overseas Aid Gift Deduction Scheme](#)

[Eligibility criteria for DGR endorsement](#)

[Characteristics of a developing relief fund or organisation](#)

[Activities delivered in partnership with in-country entities](#)

[Developing country relief organisation](#)

[Developing country relief fund](#)

[Applying to be DGR endorsed](#)

[Responsibilities of an entity with DGR endorsement](#)

[Tax-deductible gifts and donations](#)

What is a developing country relief fund or organisation

Developing country relief funds or organisations deliver development or humanitarian assistance activities (or both) in a developing country

and in partnership with entities in the country, based on principles of cooperation, mutual respect and shared accountability.

Changes to the Overseas Aid Gift Deduction Scheme

Before 1 January 2024, an overseas aid organisation had to be admitted as an approved organisation under the Overseas Aid Gift Deduction Scheme (OAGDS) administered by the Department of Foreign Affairs and Trade (DFAT) and establish an overseas aid fund in order to have their public fund endorsed as a Deductible Gift Recipient (DGR).

From 1 January 2024, we administer the DGR category for item number 9.1.1 and assess eligibility for a developing country relief organisation, or an organisation operating a developing country relief fund, to be endorsed as a DGR.

If you were endorsed as an overseas aid fund before 1 January 2024, transitional provisions apply.

Eligibility criteria for DGR endorsement

To be eligible for DGR endorsement as a developing country relief fund or organisation the entity must:

- have an active Australian business number (ABN)
- be either:
 - an [Institution](#) that is registered with the Australian Charities and Not-for-profits Commission (ACNC) as a charity, or an Australian government agency (a [developing country relief organisation](#))
 - a charity registered with the ACNC that operates a public fund (a [developing country relief fund](#))
- have a [principal purpose](#) of delivering development or humanitarian assistance activities (or both)
- undertake the development or humanitarian assistance activities (or both)
 - in a country covered by section 30-85 of *the Income Tax Assessment Act 1997* (see [developing countries](#)); and

- in [partnership](#) with entities in the country, based on principles of cooperation, mutual respect and shared accountability.
- if it is an institution or Australian government agency - maintain a [gift fund](#) with an appropriate DGR winding up and revocation clause
- if it is a registered charity operating a public fund, the public fund must meet the public fund, [gift fund](#) and DGR winding up and revocation clause requirements
- be located in Australia.

Characteristics of a developing relief fund or organisation

To be eligible for DGR endorsement as a developing country relief fund or organisation the entity must have the characteristics of a developing country relief fund or organisation.

Its principal purpose

A developing country relief fund or organisation's principal purpose is the main or dominant purpose for which the fund or organisation exists. A developing country relief fund or organisation can have other purposes which are incidental, ancillary, or secondary to its principal purpose.

A developing country relief fund or organisation's principal purpose must be delivering development or humanitarian assistance activities (or both):



- in a country covered by section 30–85 of the *Income Tax Assessment Act 1997* (see [developing countries](#))
- in partnership with entities in the country, based on principles of cooperation, mutual respect and shared accountability.

We take a holistic approach in determining the substance and reality of the fund or organisation's purpose. The objects in the organisation's governing documents, or the fund's governing rules, and the activities by which those objects are achieved, are the main factors considered when determining the purpose of the organisation or fund. Other relevant factors can include:

- other elements in the constituent documents such as its powers, rules, not for profit and winding up clauses, and clauses governing who can benefit from the institution's activities and in what ways
- how the institution or fund is operated
- any legislation governing its operation
- the circumstances in which it was formed
- its history
- its control.

Developing countries

For the purposes of this DGR category, a country is considered a developing country if:

- it is included in the [list of official development assistance recipients](#)  published from time to time by the Organisation for Economic Co-operation and Development's Development Assistance Committee; or
- it is specified in a [declaration by the Foreign Affairs Minister](#)  by a legislative instrument.

Development activities

Development activities improve the long-term well-being of individuals and communities in developing countries and deliver sustained or lasting benefits such as through capacity-building with an appropriate exit strategy. The activities are targeted at a particular group, community or location.

Humanitarian assistance activities

Humanitarian assistance activities save lives, alleviate suffering and maintain human dignity. The activities meet an immediate need such as providing food, shelter, protection, psycho-social support and medical attention but may also encompass other needs such as education, depending on the context.

Humanitarian activities are delivered in accordance with the humanitarian principles of:

- humanity

- impartiality
- independence
- neutrality.

Ineligible activities

Some activities may not be considered development or humanitarian assistance activities because they discriminate or do harm.

The following activities will generally not be considered as part of a fund's or organisation's purpose to deliver development or humanitarian assistance activities:

- supporting a political party, candidate or organisation affiliated to a political party
- supporting or promoting a particular religious adherence.

Activities delivered in partnership with in-country entities

A developing country relief fund or organisation's principal purpose must be delivering development or humanitarian assistance activities (or both) in partnership with entities in the country, based on principles of cooperation, mutual respect and shared accountability.

In-country partners

Developing country relief funds or organisations need to demonstrate that they work with in-country partner entities, not just individuals.

The developing country relief fund or organisation, and the in-country partner will both contribute and add value to the delivery of aid activities, with shared values and objectives.

Co-operation and mutual respect

Developing country relief funds or organisations need to demonstrate that they cooperate with in-country partners to plan, implement and track progress of activities. Evidence of this would be a discussion, exchange of views or other communication that has been documented between the fund or organisation and the in-country partners and demonstrates cooperation and respect.

Shared accountability

Shared accountability is shown by documented agreements between developing country relief funds or organisations and in-country partners. It is expected that the agreements will include the objectives of the partnership, the roles of each party, the reporting requirements, and financial management arrangements.

Developing country relief funds or organisations need to demonstrate how they ensure that their in-country partners use the funds for the purpose of delivering development or humanitarian assistance activities.

Developing country relief organisation

A developing country relief organisation must be an institution registered with the ACNC as a charity or an Australian government agency.

Institution

A developing country relief organisation that is registered with the ACNC as a charity must also be an institution.

An institution is an organisation established to promote a defined purpose, especially one of public or general utility. An institution carries out activities that translates its purpose into a living and active principle, and can take the legal form of a trust, company or incorporated or unincorporated association. An institution is identified by its activities, size, permanence and recognition.

An institution is not:

- a fund – for example, a trust merely to manage or hold trust property to make distributions to other entities or people
- a structure with a small and exclusive membership that is controlled and operated by family members and friends and carries out limited activities.

Gift fund requirement

Developing country relief organisations must maintain a gift fund, and gifts must be received by the organisation's gift fund. A developing

country relief organisation must use its gift fund for its principal purpose only.

The following **gift fund requirements** must be met:

- it is a fund
- it is maintained and used only for the principal purpose of the organisation
- all gifts and deductible contributions of money or property for that purpose are made to it
- any money received by the organisation, because of such gifts or deductible contributions is credited to it
- it doesn't receive any other money or property.

The gift fund should be set up as part of your organisation. The gift fund may have its own rules or constitution, or they may be part of the governing documents of your organisation.

The rules or governing documents should provide evidence of the gift fund's existence, name, purpose and operations.

Most organisations must be required by a law, its constituent documents or governing rules – to transfer any surplus assets of the gift fund to another gift deductible fund, authority or institution when the organisation is wound up or the DGR endorsement is revoked, whichever occurs first (DGR winding up and revocation requirement). This requirement can be met by including a **DGR winding up and revocation** clause in the rules of the gift fund.

Example sample clause: DGR winding up and revocation

If the organisation is wound up or if the endorsement (if any) of the organisation as a deductible gift recipient is revoked, any surplus assets of the gift fund remaining after the payment of liabilities attributable to it, shall be transferred to a fund, authority or institution to which income tax-deductible gifts can be made.

If the organisation is a registered charity, the clause must state that the surplus assets of the gift fund shall be transferred to a charity with

a similar charitable purpose to which income tax-deductible gifts can be made to.

Organisations don't need to meet the DGR winding up and revocation requirement if they are established by an Act of the Commonwealth Parliament, and that Act, or another Act, doesn't provide for the winding up or termination of the entity. A gift fund is still required.

Developing country relief fund

A developing country relief fund must be a public fund and operated by an organisation registered with the ACNC as a charity.

A public fund provides money or property to support activities carried out by other entities or people, including its sponsoring organisation.

Public fund clauses - checklist

To be a public fund, a developing country relief fund's documents must reflect the following clauses.

Rules and objects of the developing country relief fund

A developing country relief fund must have its own rules and objects. Clauses governing the establishment and administration of a developing country relief fund can be inserted into an organisation's founding documents or can be contained in a separate document, which should be kept with the founding documents.

Example sample clause: objects

The name of the fund is (insert the name of developing country relief fund- the public fund). The purpose of the fund is to solicit and receive gifts towards the carrying out of the objects, which is to deliver development or humanitarian assistance activities (or both) in a developing country and in partnership with entities in the country, based on principles of cooperation, mutual respect and shared accountability.

Receipts to issue in the name of the developing country relief fund

A clause is required to state that receipts will be issued in the name of the fund.

Example sample clause: receipts

All receipts for gifts or deductible contributions must be issued in the name of the fund.

Public invited to contribute

A clause is required to state that the public are invited to contribute to the fund.

Example sample clause: public invited to contribute

The general public will be invited to make gifts to the fund, to be used for the purpose of carrying out the objects of the fund.

Management committee

A clause is required to state that the fund must be managed by members of a committee, and that the majority of committee members must have a degree of responsibility to the community. As a majority is required, the committee must be made up of at least 3 members.

Example sample clause: management committee

A committee of management of no fewer than 3 persons will administer the fund. The committee will be appointed by the organisation. A majority of the members of the committee must be persons having a degree of responsibility to the general community by reason of their occupation or standing in the community.

Gifts and deductible contributions

Gifts and deductible contributions made to the fund must be kept separate from any other funds of the sponsoring organisation. A

separate bank account and clear accounting procedures are required for a public fund.

Example sample clause: gifts and deductible contributions

A bank account will be established to receive all gifts and deductible contributions accepted by the fund. This account must only include any money or property which is a gift or deductible contribution to the fund, or which is received because of such gifts or deductible contributions, including, interest received on any monies in the account. Clear accounting procedures will be maintained.

If the public fund is also a gift fund, an additional clause is required to the effect that the fund only receives gifts or deductible contributions.

Example sample clause: additional clause if public fund is a gift fund

The fund receives only gifts or deductible contributions and any money received because of those gifts or deductible contributions. The fund doesn't receive any other money or property.

Non-profit clause

A clause is required stating that the public fund must operate on a non-profit basis. This is separate to the non-profit clause for the organisation.

Example sample clause: non-profit

The assets and income of the fund shall be applied solely in furtherance of the objects of the fund and no portion shall be distributed directly or indirectly to any individual except as bona fide compensation for services rendered or expenses incurred on behalf of the fund.

Winding-up clause

A clause is required with words to the effect that, should the developing country relief fund be wound-up, any surplus money or other assets in the fund will be transferred to a charity with a similar charitable purpose to which income tax-deductible gifts can be made.

Example sample clause: winding up

If the fund is wound up, any surplus assets of the fund remaining after the payment of liabilities attributable to it, shall be transferred to a charity with a similar charitable purpose to which income tax-deductible gifts can be made.

If the public fund is also a gift fund, the winding up clause needs to meet the DGR winding up and revocation requirement.

Example sample clause: winding up and revocation

If the fund is wound up or if the endorsement (if any) of the fund as a deductible gift recipient is revoked, any surplus assets of the fund remaining after the payment of liabilities attributable to it, shall be transferred to a charity with a similar charitable purpose to which income tax-deductible gifts can be made.

ATO advised of changes

An undertaking in writing or the inclusion of a clause in the founding documents is required to the effect that we will be notified of any changes to them, reflecting on the operational or financial arrangements of the fund.

Example sample clause: notify ATO

The Board must notify the Australian Taxation Office of any alterations made to the fund rules.

Separate gift fund

A developing country relief fund doesn't need to maintain a separate gift fund if its public fund receives gifts or deductible contributions only. This is because a public fund may itself satisfy the **gift fund requirement** if it only receives gifts or deductible contributions and has an appropriate **winding up** clause.

A developing country relief fund also doesn't need to maintain a separate gift fund if the organisation operating the developing country relief fund is already endorsed as a DGR as a whole.

Otherwise, an organisation operating the developing country relief fund is required to maintain a separate gift fund.

Not required to maintain a separate gift fund

The public fund winding up clause needs to encompass the event of the revocation of DGR endorsement - to transfer surplus assets to another charity with a similar charitable purpose to which income tax deductible gifts can be made on winding up or revocation of DGR endorsement, whichever is the earlier.

Required to maintain a separate gift fund

A developing country relief fund must use its gift fund for its principal purpose.

The following gift fund requirements must be met:

- it is a fund
- it is maintained and used only for the principal purpose of the developing country relief fund
- all gifts and deductible contributions of money or property for that purpose are made to it
- any money received by the organisation, because of such gifts or deductible contributions is credited to it
- it doesn't receive any other money or property
- the organisation is required by a law, its constituent documents or governing rules, to transfer any surplus assets of the gift fund to another gift deductible fund, authority or institution when the organisation is wound up or the DGR endorsement is revoked, whichever occurs first.

The gift fund should be set up as part of your organisation. The gift fund may have its own rules or constitution, or they may be part of the governing documents of your organisation.

The rules or governing documents should provide evidence of the gift fund's existence, name, purpose and operations.

Example sample clause: DGR winding up and revocation

If the developing country relief fund is wound up or if the endorsement (if any) of the developing country relief fund as a deductible gift recipient is revoked, any surplus assets of the gift fund remaining after the payment of liabilities attributable to it, shall be transferred to a charity with a similar charitable purpose to which income tax-deductible gifts can be made.

Applying to be DGR endorsed

There are 2 ways to apply to be registered as a DGR under Item 9.1.1 - Developing country relief fund or organisation:

- If you are currently applying for registration as a charity with the Australian Charities and Not-for-profits Commission (ACNC), you can apply to us for DGR endorsement on the ACNC's registration application form – the ACNC will send your DGR application to us once your charity is registered.
- If you have an ABN, and you're either already registered as a charity or are an Australian government agency, you can complete our **Application for endorsement as a deductible gift recipient**.

In your application, you will have to include:


- a completed **Developing country relief fund or organisation schedule** for deductible gift recipient applicants
- evidence documents
- a copy of your constituent or governing documents in either a Word or PDF file format. Image files may cause issues and may delay your application.

After you apply

What you can expect when we process your DGR application:

- we will contact you to confirm we have received your application, and if we require further information
- while your application is being processed, donations you receive are not tax deductible
- after receiving all required information, it may take up to 28 days for us to process your application
- you will receive a notification of your application outcome in the mail.

Once you are DGR endorsed:

- your DGR status will be added to the [ABN lookup](#)  on the Australian Business Register so donors can confirm your developing country relief fund or organisation can receive tax-deductible gifts
- you can update your website or material advising of your tax-deductible status.

Responsibilities of an entity with DGR endorsement




It is important to make sure you are meeting your responsibilities as an entity endorsed as developing country relief organisation or for the operation of a developing country relief fund.

You must **keep records** that explain all transactions and activities relevant to your entity's status as a DGR.

Your records must show that you have used all your gifts and deductible contributions for your principal purpose.

Receipts for donations must be issued in the name of the public fund or organisation not the gift fund.

You should consider whether you need to be registered for **goods and services tax (GST)**, fringe benefits tax (FBT) or PAYG withholding.

If your organisation is registered with the ACNC you must keep records, report each year to ACNC via the [Annual information statement](#) , comply with the ACNC's [External Conduct Standards](#)  and [Governance Standards](#)  and tell us if your charity's details change.

We recommend you conduct a review of your public fund or organisation's eligibility for DGR status each year or when there is a substantial change in your activities. You can use our **worksheet** to review your DGR status.

You must tell us in writing if your public fund or organisation is no longer entitled to DGR endorsement. You must do this before, or as soon as possible after, the entitlement ends.

Tax-deductible gifts and donations

Once you are DGR endorsed, people who donate to your developing country relief fund or organisation can seek a tax deduction. Donations can be either money or property.

There are some **requirements donations need to meet** to be tax deductible.

The donation must be a gift, not a contribution:

- A gift is where a donor doesn't receive a material benefit in return (for example, a donor puts \$5 in a collection box).
- A contribution is where a donor receives a material benefit in return (for example, membership fees or purchasing a ticket to a fundraising dinner).

If you provide the donor with a small token of appreciation for their donation – such as a sticker, or a mention in a newsletter – the donation can still be considered a gift. However, if your acknowledgment is larger and the donor can use or benefit from it, this may prevent the donation being considered a gift.

It is the responsibility of the donor to determine whether the donation is a tax-deductible gift.

The types of donations that can be tax deductible gifts include:

- money of \$2 or more
- property, that is purchased during the 12 months before making the gift, or that we value at more than \$5,000
- trading stock.

Environmental organisations

Gifts to environmental organisations may be tax deductible if they are endorsed as a deductible gift recipient (DGR).

Last updated 30 May 2025

On this page

What is an environmental organisation

Changes to the Register of Environmental Organisations

Eligibility criteria for DGR endorsement

Characteristics of an environmental organisation

Applying to be DGR endorsed

Responsibilities as a DGR endorsed environmental organisation

Tax-deductible gifts and donations

What is an environmental organisation

Environmental organisations are those that either:

- protect and enhance the natural environment or of a significant aspect of the natural environment
- provide information or education, or carry-on research, about the natural environment or a significant aspect of the natural environment.

Environmental organisations include those involved in land, wildlife and rainforest conservation.

Changes to the Register of Environmental Organisations

Before 1 January 2024, environmental organisations and their public funds had to be registered on the Register of Environmental Organisations, which was administered by the Department of Climate Change, Energy, the Environment and Water to have their public fund endorsed as a deductible gift recipient (DGR).

From 1 January 2024, we administer the DGR category for environmental organisations (item number 6.1.1) and assess eligibility for endorsement.

If you were endorsed as a public fund on the Register of Environmental Organisations before 1 January 2024, transitional provisions apply.

Eligibility criteria for DGR endorsement

To be eligible for DGR endorsement as an environmental organisation the entity must:

- have an active Australian business number (ABN)
- have the characteristics of an environmental organisation:
 - be an [institution](#) that is registered with the Australian Charities and Not-for-profits Commission (ACNC) as a charity or be an Australian government agency
 - have a [principal purpose](#) that is one of the following:
 - the protection and enhancement of the natural environment or of a significant aspect of the natural environment, or
 - the provision of information or education, or the carrying on of research, about the natural environment or a significant aspect of the natural environment
 - have a [policy of not acting as a mere conduit](#) for the donation of money or property to other organisations, bodies or persons
 - maintain a [gift fund](#) with an appropriate DGR winding up and revocation clause
- be located in Australia.

Characteristics of an environmental organisation

To be eligible for DGR endorsement as an environmental organisation the entity must have the characteristics of an environmental organisation.

Institution

An environmental organisation that is registered with the ACNC as a charity must also be an institution.

An institution is an organisation established to promote a defined purpose, especially one of public or general utility. An institution carries out activities that translates its purpose into a living and active principle, and can take the legal form of a trust, company or incorporated or unincorporated association. An institution is identified by its activities, size, permanence and recognition.

An institution is not:

- a fund – for example, a trust merely to manage or hold trust property to make distributions to other entities or people
- a structure with a small and exclusive membership that is controlled and operated by family members and friends and carries out limited activities.

Principal purpose of an environmental organisation

A principal purpose is the main or dominant purpose for which the organisation exists. An environmental organisation can have other purposes which are incidental, ancillary, or secondary to its principal purpose.

An environmental organisation's principal purpose must be one of the following:

- the protection and enhancement of the natural environment or of a significant aspect of the natural environment; or
- the provision of information or education, or the carrying on of research, about the natural environment or a significant aspect of the natural environment.

We take a holistic approach in determining the substance and reality of the organisation's purpose. The objects in the organisation's constituent or governing documents, and the activities by which those objects are achieved, are the main factors considered when

determining the purpose of the organisation. Other relevant factors can include:

- other elements in the constituent documents of the institution such as its powers, rules, not for profit and winding up clauses, and clauses governing who can benefit from the institution's activities and in what ways
- how the institution is operated
- any legislation governing its operation
- the circumstances in which it was formed
- its history
- its control.

Natural environment

The activities underlying an environmental organisation's principal purpose must relate to the natural environment as distinct from other types of environments such as built, cultural and historic environments. Natural environment includes all aspects of the natural surroundings of humans, whether affecting them as individuals or in social groupings.

The natural environment and concern for it can include:

- significant natural areas such as rainforests
- wildlife and their habitats
- issues affecting the environment such as air and water quality, waste minimisation, soil conservation, and biodiversity
- promotion of ecologically sustainable development principles.

The natural environment excludes:

- constructions such as the retaining walls of dams
- cultivated parks and gardens
- zoos and wildlife parks (except those principally carried on for the purposes of species preservation)
- cultural sites
- heritage properties.

Organisations that assist both native and non-native animals won't qualify as environmental organisations. However, those organisations may qualify for DGR endorsement under item 4.1.6 - **animal welfare charity**.

Policy to not act as a mere conduit

An environmental organisation must have a policy of not acting as a mere conduit for the donation of money or property to other organisations, bodies or persons.

An organisation must not:

- be directed by a donor to act as a conduit by passing a donation of money or property to other organisations, bodies or persons
- act as a collection agency for tax-deductible donations intended by a donor to be passed on to another organisation, body or person.

The policy to not act as a mere conduit may be expressed and communicated in several ways, including in an organisation's constituent or governing document, in a separate policy document, stated on the organisation's website or stated on a receipt issued to a donor.

Example: policy to not act as a mere conduit

Water and Environment's constitution sets out their policy to not act as a mere conduit as follows:

Any allocation of funds or property to other persons or organisations will be made in accordance with the established purposes of the organisation and not be influenced by the preference of the donor. The organisation will not pass a donation of money or property to other organisations, bodies or persons as a condition of a donation.

Water and Environment also states this policy on their website's donation page.

Gift fund

Environmental organisations must maintain a gift fund, and gifts must be received by the organisation's gift fund. An environmental

organisation must use its gift fund for its principal purpose only.

The following **gift fund requirements** must be met:

- it is a fund
- it is maintained and used only for the principal purpose of the organisation
- all gifts and deductible contributions of money or property for that purpose are made to it
- any money received by the organisation, because of such gifts or deductible contributions is credited to it
- it doesn't receive any other money or property.

The gift fund should be set up as part of your organisation. The gift fund may have its own rules or constitution, or they may be part of the governing documents of your organisation.

The rules or governing documents should provide evidence of the gift fund's existence, name, purpose and operations.

Most organisations must be required by a law, its constituent documents or governing rules – to transfer any surplus assets of the gift fund to another gift deductible fund, authority or institution when the organisation is wound up or the DGR endorsement is revoked, whichever occurs first (DGR winding up and revocation requirement). This requirement can be met by including a **DGR winding up and revocation** clause in the rules of the gift fund.

Example sample clause: DGR winding up and revocation

If the organisation is wound up or if the endorsement (if any) of the organisation as a deductible gift recipient is revoked, any surplus assets of the gift fund remaining after the payment of liabilities attributable to it, shall be transferred to a fund, authority or institution to which income tax-deductible gifts can be made.

If the organisation is a registered charity, the clause must state that the surplus assets of the gift fund shall be transferred to a charity with

a similar charitable purpose to which income tax-deductible gifts can be made to.

Organisations don't need to meet the DGR winding up and revocation requirement if they are established by an Act of the Commonwealth Parliament, and that Act, or another Act, doesn't provide for the winding up or termination of the entity. A gift fund is still required.

Applying to be DGR endorsed

There are 2 ways to apply to be registered as a DGR under Item 6.1.1 - Environmental organisation:

- If you are currently applying for registration as a charity with the Australian Charities and Not-for-profits Commission (ACNC), you can apply to us for DGR endorsement on the ACNC's registration application form – the ACNC will send your DGR application to us once your charity is registered.
- If you have an ABN, and you're either already registered as a charity or are an Australian government agency, you can complete our **Application for endorsement as a deductible gift recipient form**.

In your application, you will have to include:

- a completed **Environmental organisation schedule** for deductible gift recipient applicants
- evidence documents (if applicable)
- a copy of your constituent or governing documents in either a Word or PDF file format. Image files may cause issues and may delay your application.


After you apply

What you can expect when we process your DGR application:

- we will contact you to confirm we have received your application, and if we require further information
- while your application is being processed, donations you receive are not tax deductible
- after receiving all required information, it may take up to 28 days for us to process your application

- you will receive a notification of your application outcome in the mail.

Once you are DGR endorsed:

- your DGR status will be added to the [ABN lookup](#)  on the Australian Business Register so donors can confirm your environmental organisation can receive tax-deductible gifts
- you can update your website or material advising of your tax-deductible status.

Responsibilities as a DGR endorsed environmental organisation


It is important to make sure you are meeting your responsibilities as a DGR endorsed environmental organisation.

You must **keep records** that explain all transactions and activities relevant to your organisation's status as a DGR.

Your records must show that you have used all your gifts and deductible contributions for your principal purpose.

Receipts for donations must be issued in the name of the organisation not the gift fund.

You should consider whether you need to be registered for **goods and services tax (GST)**, fringe benefits tax (FBT) or PAYG withholding.

If your organisation is registered with the ACNC you must keep records, report each year to the ACNC via the [Annual information statement](#)  and tell us if your charity's details change.

We recommend you conduct a review of your organisation's eligibility for DGR status each year or when there is a substantial change in your activities. You can use our **worksheet** to review your DGR status.

You must tell us in writing if your organisation is no longer entitled to DGR endorsement. You must do this before, or as soon as possible after, the entitlement ends.

Tax-deductible gifts and donations

Once you are DGR endorsed, people who donate to your environmental organisation can seek a tax deduction. Donations can be either money or property.

There are **some requirements** that donations need to meet to be tax deductible.

The donation must be a gift, not a contribution:

- A gift is where a donor doesn't receive a material benefit in return (for example, a donor puts \$5 in a collection box).
- A contribution is where a donor receives a material benefit in return (for example, membership fees or purchasing a ticket to a fundraising dinner).

If you provide the donor with a small token of appreciation for their donation – such as a sticker, or a mention in a newsletter – the donation can still be considered a gift. However, if your acknowledgment is larger and the donor can use or benefit from it, this may prevent the donation being considered a gift.

It is the responsibility of the donor to determine whether the donation is a tax-deductible gift.

The types of donations that can be tax deductible gifts include:

- money of \$2 or more
- property, that is purchased during the 12 months before making the gift, or that we value at more than \$5,000
- trading stock.

QC 16804

Harm prevention charities

Gifts to harm prevention charities may be tax deductible if they are endorsed as a deductible gift recipient (DGR).

Last updated 7 March 2024

On this page

Overview

Changes to the Register of Harm Prevention Charities

Eligibility criteria

Characteristics

Applying to be DGR endorsed

Responsibilities as a DGR endorsed harm prevention charity

Tax-deductible gifts and donations

Overview

Harm prevention charities carry out activities to promote the prevention or control of behaviour that is harmful or abusive to humans. Behaviour harmful or abusive to humans is emotional, sexual, physical or substance abuse, suicide, self-harm, or harmful gambling.

Changes to the Register of Harm Prevention Charities

Prior to 1 January 2024, harm prevention charities and their public fund had to be registered on the Register of Harm Prevention Charities, which was administered by the Department of Social Services, to have their public fund endorsed as a deductible gift recipient (DGR).

From 1 January 2024, we administer the DGR category for harm prevention charities (item number 4.1.4) and assess eligibility for endorsement.

If you were endorsed as a public fund on the Register of Harm Prevention Charities prior to 1 January 2024, transitional provisions apply.

Eligibility criteria

To be eligible for DGR endorsement as a harm prevention charity the entity must:

- have an active Australian business number (ABN)
- have the characteristics of a harm prevention charity:
 - be an [institution](#) that is registered with the Australian Charities and Not-for-profits Commission (ACNC) as a charity
 - have a [principal activity](#) that is the promotion of the prevention or the control of behaviour that is harmful or abusive to human beings
 - have a [policy of not acting as a mere conduit](#) for the donation of money or property to other organisations, bodies or persons
 - maintain a [gift fund](#) with an appropriate DGR winding up and revocation clause
- be located in Australia – while the organisation must be located in Australia and have its operations in Australia, beneficiaries may be in countries other than Australia.

Characteristics

To be eligible for DGR endorsement as a harm prevention charity the entity must have the characteristics of a harm prevention charity.

Institution

A harm prevention charity must be an institution.

An institution is an organisation established to promote a defined purpose, especially one of public or general utility. An institution carries out activities that translates its purpose into a living and active principle, and can take the legal form of a trust, company or incorporated or unincorporated association. An institution is identified by its activities, size, permanence and recognition.

An institution is not:

- a fund – for example, a trust merely to manage or hold trust property to make distributions to other entities or people
- a structure with a small and exclusive membership that is controlled and operated by family members and friends and carries out limited activities.

Principal activity

A harm prevention charity's principal activity must be the promotion of the prevention or the control of behaviour that is harmful or abusive to human beings. Such behaviour is defined as one or more of the following:

- emotional abuse
- sexual abuse
- physical abuse
- suicide
- self-harm
- substance abuse
- harmful gambling.

These expressions are not defined by the legislation and have their ordinary meaning.

It is not necessary that the organisation's principal activity promote both prevention and control of behaviour that is harmful or abusive to human beings, either is sufficient.

An organisation's principal activity is its main or dominant activity. A harm prevention charity can have other activities which are incidental, ancillary, or secondary to its principal activity. A variety of factors are taken into consideration when determining an organisation's principal activity including the amount of time and resources allocated to that activity by the organisation.

The ATO will group similar activities together when determining an organisation's principal activity.

Example: Grouping together similar activities

If an organisation promotes the control of substance abuse through three activities, it will be regarded as one activity – promoting the control of substance abuse – that incorporates three different aspects.

Promotion

The term promotion is not defined by the legislation and has its ordinary meaning. The ordinary meaning of promotion includes furtherance or encouragement.

The use of the word 'promotion' means that harm prevention charities can engage in activities that directly or indirectly prevent or control behaviour that is harmful or abusive to human beings. Indirect activities may include awareness-raising and research.

An organisation does not have to demonstrate its success in actually preventing or controlling behaviour that is harmful or abusive to human beings. However, the organisation does need to show that the nature of its activities can be considered to promote the prevention or the control of behaviour that is harmful or abusive to human beings.

Prevention and control

The terms prevention and control are not defined by the legislation and have their ordinary meaning. The ordinary meaning of:

- Prevention includes to keep from occurring or to hinder.
- Control includes to hold in check, to curb or restrain. Control is about the steps, measures, actions, activities, treatment, and interventions to reduce a specified harmful or abusive behaviour.

There must be an evidenced, rational or plausible link between the promotional activity and the prevention or the control of behaviour that is harmful or abusive to human beings.

Examples of harm prevention charity activities

Activities that may promote the **prevention** of behaviour that is harmful or abusive to human beings:

- providing information about the prevention or control to those involved with or affected by the relevant behaviour, and to the public
- researching how to detect, prevent or deal with the relevant behaviour.

Activities that may promote the **control** of behaviour that is harmful or abusive to human beings:

- counselling people who are affected by the behaviour, such as family members

- running courses and programs on how to avoid, overcome or recover from the behaviour
- training carers and professionals in ways of dealing with the relevant behaviour
- treating and caring for persons suffering from the behaviour.

Organisations that are not harm prevention charities

Organisations that are involved in other behavioural or social issues outside of the defined behaviours as their principal activity will not qualify as harm prevention charities.

Organisations where their activities are about general prevention of harm will not qualify as harm prevention charities.

Organisations whose principal activity is too remote from the prevention or control will not qualify as harm prevention charities. This may include organisations whose principal activity is providing:

- general craft, sport, music, or other social activities
- general school education
- general employment programs
- road, pool or workplace safety, accident prevention, or parenting programs
- financial support.

Policy to not act as a mere conduit

A harm prevention charity must have a policy of not acting as a mere conduit for the donation of money or property to other organisations, bodies or persons.

An organisation must not:

- be directed by a donor to act as a conduit by passing a donation of money or property to other organisations, bodies or persons
- act as a collection agency for tax-deductible donations intended by a donor to be passed on to another organisation, body or person.

The policy to not act as a mere conduit may be expressed and communicated in several ways, including in an organisation's constituent or governing document, in a separate policy document,

stated on the organisation's website or stated on a receipt issued to a donor.

Example: Policy to not act as a mere conduit

Wise Owl's constitution sets out their policy to not act as a mere conduit as follows:

Any allocation of funds or property to other persons or organisations will be made in accordance with the established purposes of the organisation and not be influenced by the preference of the donor. The organisation will not pass a donation of money or property to other organisations, bodies or persons as a condition of a donation.

Wise Owl also states this policy on their website's donation page.

Gift fund

Harm prevention charities must maintain a gift fund, and gifts must be received by the organisation's gift fund. A harm prevention charity must use its gift fund for its principal purpose only.

The following gift fund requirements must be met if:

- it is a fund
- it is maintained and used only for the principal purpose of the organisation
- all gifts and deductible contributions of money or property for that purpose are made to it
- any money received by the organisation, because of such gifts or deductible contributions is credited to it
- it does not receive any other money or property

The gift fund should be set up as part of your organisation. The gift fund may have its own rules or constitution, or they may be part of the governing documents of your organisation.

The rules or governing documents should provide evidence of the gift fund's existence, name, purpose and operations.

The organisation must also be required by a law, its constituent documents, or governing rules – to transfer any surplus assets of the gift fund to another gift deductible fund, authority or institution when the organisation is wound up or the DGR endorsement is revoked, whichever occurs first (DGR winding up and revocation requirement). This requirement can be met by including a **DGR winding up and revocation** clause in the rules of the gift fund.

Sample DGR winding up and revocation clause

If the organisation is wound up or if the endorsement (if any) of the organisation as a deductible gift recipient is revoked, any surplus assets of the gift fund remaining after the payment of liabilities attributable to it, shall be transferred to a charity with a similar charitable purpose to which income tax-deductible gifts can be made.

Applying to be DGR endorsed

There are 2 ways to apply to be registered as a DGR under Item 4.1.4 - Harm prevention charity:

- If you are currently applying for registration as a charity with the Australian Charities and Not-for-profits Commission (ACNC), you can apply to us for DGR endorsement on the ACNC's registration application form – the ACNC will send your DGR application to us once your charity is registered.
- If you have an ABN, and you're already registered as a charity, you can complete our **Application for endorsement as a deductible gift recipient**.

In your application, you will have to include:


- a completed **Harm prevention charity schedule** for deductible gift recipient applicants
- evidence documents (if applicable)
- a copy of your constituent or governing documents in either a Word or PDF file format. Image files may cause issues and may delay your application.

After you apply

What you can expect when we process your DGR application:

- we will contact you to confirm we have received your application, and if we require further information
- while your application is being processed, donations you receive are not tax deductible
- after receiving all required information, it may take up to 28 days for us to process your application
- you will receive a notification of your application outcome in the mail.

Once you are DGR endorsed:

- your DGR status will be added to the [ABN lookup](#)  on the Australian Business Register so donors can confirm your harm prevention charity can receive tax-deductible gifts
- you can update your website or material advising of your tax-deductible status.

Responsibilities as a DGR endorsed harm prevention charity


It is important to make sure you are meeting your responsibilities as a DGR endorsed harm prevention charity.

You must **keep records** that explain all transactions and activities relevant to your organisation's status as a DGR.

Your records must show that you have used all your gifts and deductible contributions for your principal purpose.

Receipts for donations must be issued in the name of the organisation not the gift fund.

You should consider whether you need to be registered for **goods and services tax (GST)**, fringe benefits tax (FBT) or PAYG withholding.

As a registered charity with the ACNC you must keep records, report each year to the ACNC via the [Annual information statement](#)  and tell us if your charity's details change.

We recommend you conduct a review of your organisation's eligibility for DGR status each year or when there is a substantial change in your activities. You can use our **worksheet** to review your DGR status.

You must tell us in writing if your organisation is no longer entitled to DGR endorsement. You must do this before, or as soon as possible after, the entitlement ends.

Tax-deductible gifts and donations

Once you are DGR endorsed, people who donate to your harm prevention charity can seek a tax deduction. Donations can be either money or property.

There are some **requirements the donation needs to meet** to be tax deductible.

The donation must be a gift, not a contribution:

- A gift is where a donor does not receive a material benefit in return (for example, a donor puts \$5 in a collection box).
- A contribution is where a donor receives a material benefit in return (for example, membership fees or purchasing a ticket to a fundraising dinner).

If you provide the donor with a small token of appreciation for their donation – such as a sticker, or a mention in a newsletter – the donation can still be considered a gift. However, if your acknowledgment is larger and the donor can use or benefit from it, this may prevent the donation being considered a gift.

It is the responsibility of the donor to determine whether the donation is a tax-deductible gift.

The types of donations that can be tax deductible gifts include:

- money of \$2 or more
- property, that is purchased during the 12 months before making the gift, or that we value at more than \$5,000
- trading stock.

Our commitment to you

We are committed to providing you with accurate, consistent and clear information to help you understand your rights and entitlements and meet your obligations.

If you follow our information and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we will take that into account when determining what action, if any, we should take.

Some of the information on this website applies to a specific financial year. This is clearly marked. Make sure you have the information for the right year before making decisions based on that information.

If you feel that our information does not fully cover your circumstances, or you are unsure how it applies to you, contact us or seek professional advice.

Copyright notice

© Australian Taxation Office for the Commonwealth of Australia

You are free to copy, adapt, modify, transmit and distribute this material as you wish (but not in any way that suggests the ATO or the Commonwealth endorses you or any of your services or products).