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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.

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

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Requirements for cultural organisations seeking endorsement 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

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 (C*ommonwealth) 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

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

Requirements for approved research institutes seeking endorsement as a deductible gift recipient (DGR).

Last updated 15 December 2025

Eligibility for 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 meets all of the following:

- It is an approved research institute.
- It meets the general deductible gift recipient eligibility requirements.
- 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.

Definition of 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
- an Australian government agency
- 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 the:

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

Eligibility 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
  - 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
  - used exclusively for scientific research
- have an appropriate winding up and DGR revocation clause that ensures any remaining surplus tax-deductible gifts are 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
  - endorsed in part for the operation of an 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.

Subsequent changes in the membership of a committee require the prior approval of the approving authority. The exception is when a member or members resign and where the remaining committee consists of at least 5 people, the majority of whom are appropriately qualified.

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 annual independent review or audit of the research fund account. An audit must be conducted by one of the following:

- a registered company auditor (as defined by the *Corporations Act 2001*)
- an audit firm
- an authorised audit company.

A review may also be conducted by a current member of a relevant professional body who is qualified to undertake a review (in line with the *Corporations Act 2001*).

An ARI must ensure all gifts received are 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.

Applying for DGR endorsement

If your organisation meets the eligibility criteria for an approved research institute, 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.

You will need to complete and submit this checklist with your form – Approved research institute – application checklist.

If you apply using the ACNC's registration application form, do not attach the checklist and supporting documents to your ACNC application. We will request these documents from you when we process your application.

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

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.

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 charity trusts

Check which community charity trusts can be endorsed as deductible gift recipients and their key obligations.

Last updated 6 July 2026

Definition of a community charity trust

From July 2024, a community charity trust may apply to be endorsed as a deductible gift recipient (DGR). These Not-for-profit (NFP) entities have broad purposes and can engage in a range of activities across other DGR general categories.

To be endorsed as a DGR, a community charity trust must first satisfy all eligibility criteria. Review the eligibility criteria and governing documents requirements before taking steps to become DGR endorsed. This involves submitting a proposal to the Treasury and registering with the Australian Charities and Not-for-profits Commission (ACNC).

Once DGR endorsed, you can reference a tax-deductible status on the community charity website or in other materials. Donors who gift to a DGR endorsed community charity will generally be able to claim an income tax deduction.

Eligibility criteria

A community charity trust will need an active Australian business number (ABN) and must meet all the following eligibility criteria to become DGR endorsed. It must:

- be specified in a ministerial declaration that is in force
- be registered as a charity with the ACNC

- be established and maintained for specified allowed purposes
- be a trust which only has constitutional corporations as trustees
- have governing documents which meet certain legal requirements
- ensure each of its trustees has agreed in the approved form to comply with the rules in the *Taxation Administration (Community Charity) Guidelines 2025* and none of its trustees has revoked that agreement.

Find out more about how to meet the eligibility criteria at steps to become a community charity DGR.

Constitutional corporation

Each trustee of the trust must be a constitutional corporation.

A constitutional corporation is defined in the *Income Tax Assessment Act 1997* as either:

- a corporation to which paragraph 51(xx) of the Australian Constitution applies
- a body corporate that is incorporated in a territory.

A constitutional corporation would usually be registered with the Australian Securities & Investments Commission (ASIC) and have an Australian Company Number (ACN). Less frequently, it may be incorporated under associations' incorporation legislation in a state or territory and have an association or incorporation number.

Governing documents

You must include the following rules in the community charity's governing documents, for it to be eligible for DGR endorsement.

Objects

The rules must clearly set out and reflect the objects of the community charity trust. The objects should be limited to allowed purposes.

Allowed purposes

The community charity trust must be established and maintained for both of the following purposes:

- providing money, property or benefits to a DGR (other than to ancillary funds or other community charities) for any of their DGR purposes
- engaging in either
  - the principal activity of a DGR (other than an ancillary fund, a DGR that is specifically listed by name or a community charity)
  - pursuing the principal purpose that is the same as a DGR (other than an ancillary fund, a DGR that is specifically listed by name or a community charity).

An entity may also have a purpose of establishing one or more DGR entities, other than a community charity or ancillary fund. However, no other purposes are permitted.

Not-for-profit basis

The rules must clearly set-out and reflect that the community charity trust must be a NFP entity that doesn't operate for the profit or gain of specific people or its individual members. This applies both while it is operating and when it winds up.

The community charity trust must not provide any benefit directly or indirectly to any of the following, unless otherwise permitted by the rules in the Taxation Administration (Community Charity) Guidelines 2025:

- the trustee
- a member, director, employee, agent or officer of the trustee
- its donor and their relatives
- its founder and their relatives
- an associate of any of these (other than an eligible DGR or registered charity).

Winding up, ceasing to be a community charity or revocation

The rules must require that on the community charity trust:

- winding up or ceasing to be a community charity, all its net assets must be provided to a DGR in accordance with the purposes of the

charity

- ceasing to be a DGR or if its DGR endorsement is revoked, the following assets must be transferred to a DGR in accordance with the purposes of the charity
  - gifts of money or property and deductible contributions made to the trust for its principal purpose
  - money received by the trust because of such gifts or contributions.

Indemnity prohibition

The rules must clearly prohibit the trust from indemnifying the trustee and its employees, officers or agents for a loss attributable to their:

- dishonesty
- gross negligence
- recklessness
- deliberate act or omission known to them to be a breach of duty.

Steps to become DGR endorsed

Check that your entity has met all eligibility criteria before applying for DGR endorsement.

You will then need to complete **5 steps** to be DGR endorsed as a community charity trust.

Step 1 – Check your entity has an active ABN

Your community charity trust must only have constitutional corporations as trustees. It must also have an active ABN before it can register as a charity and become DGR endorsed.

If you're unsure if the entity has an active ABN, search for it by name at ABN Lookup to confirm its status.

If the entity doesn't already have an active ABN, you will need to apply using the Australian Business Register (ABR) website. Go to ABN registration for not-for-profits for help in selecting the correct structure for your community charity trust when completing the ABN application.

Step 2 – Check governing documents meet legal requirements

Check that your entity has governing documents that meet the specific eligibility requirements of a community charity. If your community charity doesn't have governing documents that meet these requirements, you must create or update them.

Also check that your governing documents also meet relevant state or territory government requirements. You may need to notify them that your community charity has been established, or that you've made updates to its governing documents. Refer to How to make changes to your governing documents.

Step 3 – Submit a proposal for a ministerial declaration

A community charity trust must be specified in a ministerial declaration, that is in force, to become eligible for DGR endorsement.

To achieve this, you will need to submit a written proposal to the Treasury, who are responsible for receiving these requests. Visit the Treasury website to find out how to submit a proposal to the minister.

If your request is successful, specification in the declaration alone won't automatically grant or guarantee DGR endorsement. You must still meet all other eligibility criteria before you can be endorsed as a DGR.

Step 4 – Apply to be registered as a charity

Your community charity trust must be registered as a charity with the ACNC to be eligible for DGR endorsement. If you're already registered as a charity, go to Step 5.

If you're not already a registered charity, visit the ACNC website and complete the charity registration self-assessment before applying. It will help you to understand:

- if your organisation is eligible to register as a charity
- how to complete your registration application
- ongoing obligations to the ACNC.

If you proceed to complete an application for charity registration with the ACNC, you can apply for ATO endorsement at the same time. The ACNC will send us your DGR application for assessment, once your charity has been registered. You won't need to separately complete Step 5.

When completing your online charity application form, you will need to:

- select **13.1.1 Community charity trust** as the type of DGR category
- upload a copy of your
  - Agreement to comply with the community charity trust guidelines
  - governing documents in either a Word or PDF file format – image files may cause issues and may delay your application.

Step 5 – Apply to be DGR endorsed

If you are already a registered charity with the ACNC, you can apply directly to us to be DGR endorsed. Download and complete a paper application and provide item number **13.1.1 Community charity trust** as the type of DGR category.

You will need to submit all the following documents:

- Application for endorsement as a deductible gift recipient
- Agreement to comply with the community charity trust guidelines
- a copy of the trust's governing documents.

Post your completed documents to:

AUSTRALIAN TAXATION OFFICE
PO BOX 3373
PENRITH NSW 2740

DGR endorsement notification

We will send a written notification to let you know if your entity has been DGR endorsed, or if your application has been refused.

If the application is refused

If your application for endorsement is refused, we will provide you with a clear explanation of our decision. You can request that this decision

be reviewed by us. To do this, contact the person handling your case and put the full reasons for seeking a review in writing. We will work with you to resolve the matter quickly and informally.

If endorsement remains refused after informal review, you have the right under the law to ask for a formal review by lodging an objection against the refusal or deemed refusal.

If there are delays in notification

If there is a delay in us notifying you, you can make a written request that your application be treated as though it had been refused. The deemed refusal will trigger formal review rights.

The earliest you can notify us that you want your application to be treated as if it had been refused is the later of the following:

- 60 days after you made the application
- 28 days after the last day on which you gave us information or documentation that we requested.

What to do after DGR endorsement

Once DGR endorsed your community charity should:

- use the Australian Business Register
- issue receipts
- undertake regular self-reviews
- keep proper accounts
- submit annual returns
- meet your minimum annual distribution requirement
- comply with community charity guideline rules.

Use the Australian Business Register

The ABR records that a community charity trust is DGR endorsed.

You should direct potential donors to confirm your DGR endorsement status on ABN Lookup before they donate.

Issue receipts

Your community charity trust is entitled to receive income tax deductible gifts from the start date of its DGR endorsement. A deduction for gifts made to a DGR is claimed by the person or organisation that makes the gift (the donor).

The guidelines require community charity trusts to issue receipts for all tax-deductible gifts they receive. Receipts must include:

- community charity trust name and ABN
- the name of the donor
- a statement that the receipt is for a gift it has received.

If the community charity trust doesn't include this information on its receipts when required, its DGR endorsement may be revoked.

Find out about gift types and conditions.

Carry out regular self-reviews

You must notify us if your community charity ceases to be eligible for DGR endorsement. To check if your DGR eligibility has changed, download and complete our Worksheet 1: review of a DGR endorsed as a whole. You should complete this self-review each year, or whenever there is a substantial change in your activities.

If you complete the self-review worksheet and find that your community charity remains eligible for DGR endorsement, you don't have to contact us. Your DGR status will remain unchanged. Keep the completed worksheet with your organisation's other records, as it shows why and how you arrived at the decision.

If you complete the self-review worksheet and find that your community charity is no longer entitled to DGR endorsement, you must tell us in writing. You need to do this before entitlement ceases or as soon as practicable afterwards.

Trustees and directors of trustees of community charity trusts may be liable for administrative penalties if they represent or mislead that the trust is:

- eligible to remain DGR endorsed, when it's not eligible
- DGR endorsed, when it's not.

Keep proper accounts

As a DGR, your community charity must keep adequate accounting and other records that detail and explain all transactions that are relevant to its status as a DGR.

You must maintain these records for at least 5 years after the completion of a transaction or an act that it relates to. The community charity guidelines provide the penalty for not keeping proper accounts is 10 penalty units.

Submit annual returns

You are required to lodge a community charity trust return for each financial year, even if it is exempt from income tax. The new return is under development.

We expect the return, and supporting guidance on how to lodge, will be finalised by late 2025.

To be notified when the return is available subscribe to our NFP Newsletter. You can also visit the Not-for-profit newsroom at any time to search for new articles.

Meet your minimum annual distribution requirement

Community Charity Guidelines 2025 require that community charity trusts distribute at least 4% of the market value of their net assets each financial year. The market value is taken as at the end of the previous financial year.

Community charity trusts can make distributions by:

- providing money, property or benefits to a DGR (other than to an ancillary fund or other community charity) for any of their DGR purposes
- incurring expenditure in the direct course or furtherance of its purpose that is either
  - the principal activity of a DGR (other than an ancillary fund, a DGR that is specifically listed by name or a community charity)
  - pursuing the principal purpose of a DGR (other than an ancillary fund, a DGR that is specifically listed by name or a community charity)
- incurring expenditure in the direct course or furtherance of its purpose in establishing one or more DGR entities (other than an

ancillary fund or a community charity).

You can apply to reduce your minimum annual distribution rate for a financial year. The new return is under development and expect that it will be available in 2026.

The community charity guidelines provide the penalty for not meeting the minimum annual distribution requirements is 30 penalty units (if a shortfall is greater than $1,000).

Newly established community charity trusts

Community charity trusts are not required to make a distribution during the financial year in which they are established or during the next 4 financial years. During this time, trustees should consider the purpose of the community charity trust when deciding on an appropriate annual distribution amount during its early years.

Comply with community charity guideline rules

Failure to comply with the rules in the Community Charity Guidelines 2025 means:

- the trustee and its directors may incur administrative penalties
- the community charity trust will no longer be eligible to be DGR endorsed.

Trustees and directors of trustees of community charity trusts are generally jointly and severally liable for any administrative penalty associated with the guidelines. These penalties can't be reimbursed from the trust.

How to revoke an agreement to comply with the guidelines

A trustee may revoke its agreement to comply with the rules in the Community Charity Guidelines 2025 by submitting a Community charity trusts – revocation form.

Suspension or removal of trustees

Generally, we can suspend or remove a trustee that breaches the guidelines or any other Australian law.

We will give the trustee a written notice advising them of our decision. It will explain the reasons why the decision was taken and, in the case

of suspension, set out the period of suspension.

When a trustee is suspended or removed, we will appoint an acting trustee. They will carry out the duties of trustee until the suspension period has ended or a replacement trustee is appointed. We may give directions to the acting trustee by written notice. Any conduct by an acting trustee that contravenes a notice from us is an offence.

When we appoint an acting trustee, we must make a written order vesting the property of the community charity trust with the acting trustee. Non-compliance with a written order from us, or the acting trustee, is an offence.

You have the right under the law to ask for our decision to be reviewed, by lodging an objection. You must do this in writing and give the full reasons for your objection.

The following decisions are also reviewable by the Administrative Review Tribunal and the Federal Court of Australia:

- a decision to suspend a trustee
- a decision to change the time a suspension of a trustee ends
- a decision to remove a trustee.

NFP support and news

Visit the Not-for-profit newsroom and search for tax, super and registry articles relevant to your NFP. Another great way to stay up to date is to subscribe to our NFP Newsletter. It's emailed each month.

Using the NFP tax, super and registry responsibilities checklist will also help you track and meet obligations for your NFP. Follow along during the year and check off tasks as you go.

If you have further questions, phone **1300 130 248** between 8 am and 6 pm, Monday to Friday.

QC 105475

Community charity corporations

Check which community charity corporations can be endorsed as deductible gift recipients and their key obligations.

Last updated 6 July 2026

Definition of a community charity corporation

From July 2024, a community charity corporation may apply to be endorsed as a deductible gift recipient (DGR). These not-for-profit (NFP) entities have broad purposes and can engage in a range of activities across other DGR general categories.

To be endorsed as a DGR, a community charity corporation must first satisfy all eligibility criteria. Review the eligibility criteria and governing document requirements before taking steps to become DGR endorsed. This involves submitting a proposal to the Treasury and registering with the Australian Charities and Not-for-profits Commission (ACNC).

Once DGR endorsed, you can reference a tax-deductible status on the community charity website or in other materials. Donors who gift to a DGR endorsed community charity will generally be able to claim an income tax deduction.

Eligibility criteria

A community charity corporation will need an active Australian business number (ABN) and must meet all the following eligibility criteria to become DGR endorsed. It must:

- be specified in a ministerial declaration that is in force
- be registered as a charity with the ACNC
- be established and maintained for specified allowed purposes
- be a company that is either a:
  - constitutional corporation
  - body corporate that is not a constitutional corporation
- have governing documents which meet certain legal requirements

- ensure each director has agreed in the approved form to comply with the rules in the *Taxation Administration (Community Charity) Guidelines 2025* and none of the directors have revoked that agreement.

Find out more about how to meet the eligibility criteria at steps to become a community charity DGR.

Constitutional corporation

A constitutional corporation is defined in the *Income Tax Assessment Act 1997* as either:

- a corporation to which paragraph 51(xx) of the Australian Constitution applies
- a body corporate that is incorporated in a territory.

A constitutional corporation would usually be registered with the Australian Securities & Investments Commission (ASIC) and have an Australian Company Number (ACN). Less frequently, it may be incorporated under associations' incorporation legislation in a state or territory and have an association or incorporation number.

Governing documents

You must include the following rules in the community charity's governing documents, for it to be eligible for DGR endorsement.

Objects

The rules must clearly set out and reflect the objects of the community charity corporation. The objects should be limited to allowed purposes.

Allowed purposes

The community charity corporation must be operated for both of the following purposes:

- providing money, property or benefits to a DGR (other than to ancillary funds or other community charities) for any of their DGR purposes
- engaging in either

- a principal activity that is the same as a DGR (other than an ancillary fund, a DGR that is specifically listed by name or a community charity)
- pursuing the principal purpose that is the same as a DGR (other than an ancillary fund, a DGR that is specifically listed by name or a community charity).

An entity may also have a purpose of establishing one or more DGR entities, other than a community charity or ancillary fund. However, no other purposes are permitted.

Not-for-profit basis

The rules must clearly set-out and reflect that the community charity corporation is a NFP entity that does not operate for the profit or gain of specific people or its individual members. This applies both while it is operating and when it winds up.

The community charity corporation must not provide any benefit directly or indirectly to any of the following, unless otherwise permitted by the rules in the Taxation Administration (Community Charity) Guidelines 2025:

- a member, director, employee, agent or officer of the entity
- its donor and their relatives
- its founder and their relatives
- an associate of any of these (other than an eligible DGR or registered charity).

Winding up, ceasing to be a community charity or revocation

The rules must require that on the community charity corporation:

- winding up or ceasing to be a community charity, all its net assets must be provided to a DGR in accordance with the purposes of the charity
- ceasing to be a DGR or if its DGR endorsement is revoked, the following assets must be transferred to a DGR in accordance with the purposes of the charity

- gifts of money or property and deductible contributions made to the entity for its principal purpose
- money received by the entity because of such gifts or contributions.

Indemnity prohibition

The rules must clearly prohibit the community charity corporation from indemnifying its directors, employees, officers or agents for a loss attributable to their:

- dishonesty
- gross negligence
- recklessness
- deliberate act or omission known to them to be a breach of duty.

Steps to become DGR endorsed

Check that your entity has met all eligibility criteria before applying for DGR endorsement.

You will then need to complete **5 steps** to be DGR endorsed as a community charity corporation:

Step 1 – Check your entity has an active ABN

Your community charity corporation must be a constitutional corporation or a body corporate that's not a constitutional corporation. It must also have an active ABN before it can register as a charity and become DGR endorsed.

If you're unsure if the entity has an active ABN, search for it by name at ABN Lookup to confirm its status.

If the entity doesn't already have an active ABN, you will need to apply using the Australian Business Register (ABR) website. Go to ABN registration for not-for-profits for help in selecting the correct structure when completing the ABN application.

Step 2 – Check governing documents meet legal requirements

Check that your entity has governing documents that meet the specific eligibility requirements of a community charity. If your community charity doesn't have governing documents that meet these requirements, you must create or update them.

Also check that your governing documents meet relevant state or territory government requirements. You may need to notify them that your community charity has been established, or that you've made updates to its governing documents. Refer to How to make changes to your governing documents.

Step 3 – Submit a proposal for a ministerial declaration

A community charity corporation must be specified by name in a ministerial declaration, that is in force, to become eligible for DGR endorsement.

To achieve this, you will need to submit a written proposal to Treasury, who is responsible for receiving these requests. Visit the Treasury website to find out how to submit a proposal to the minister.

If your request is successful, specification in the declaration alone won't automatically grant or guarantee DGR endorsement. You must still meet all other eligibility criteria before you can be endorsed as a DGR.

Step 4 – Apply to be registered as a charity

Your community charity corporation must be registered as a charity with the ACNC to be eligible for DGR endorsement. If you're already registered as a charity, go to Step 5.

If you're not already a registered charity, visit the ACNC website and complete the charity registration self-assessment before applying. It will help you to understand:

- if your organisation is eligible to register as a charity
- how to complete your registration application
- ongoing obligations to the ACNC.

If you proceed to complete an application for charity registration with the ACNC, you can apply for ATO endorsement at the same time. The ACNC will send us your DGR application for assessment, once

your charity has been registered. You won't need to separately complete Step 5.

When completing your online charity application form, you will need to:

- select **13.1.2 Community charity corporation** as the type of DGR category
- upload a copy of your
  - Agreement to comply with the community charity corporation guidelines
  - governing documents in either a Word or PDF file format – image files may cause issues and may delay your application.

Step 5 – Apply to be DGR endorsed

If you're already registered as a charity with the ACNC, you can apply directly to us to be DGR endorsed. Download and complete a paper application and provide item number **13.1.2 Community charity corporation** as the type of DGR category.

You will need to submit all the following documents:

- Application for endorsement as a deductible gift recipient
- Agreement to comply with the community charity corporation guidelines
- a copy of the community charity corporation's governing documents.

Post your completed documents to:

AUSTRALIAN TAXATION OFFICE
PO BOX 3373
PENRITH NSW 2740

DGR endorsement notification

We will send a written notification to let you know if your entity has been DGR endorsed, or if your application has been refused.

If the application is refused

If your application for endorsement is refused, we will provide you with a clear explanation of our decision. You can request that this decision

be reviewed by us. To do this, contact the person handling your case and put the full reasons for seeking a review in writing. We will work with you to resolve the matter quickly and informally.

If endorsement remains refused after informal review, you have the right under the law to ask for a formal review by lodging an objection against the refusal or deemed refusal.

If there are delays in notification

If there is a delay in us notifying you, you can make a written request that your application be treated as though it had been refused. The deemed refusal will trigger formal review rights.

The earliest you can notify us that you want your application to be treated as if it had been refused is the later of the following:

- 60 days after you made the application
- 28 days after the last day on which you gave us information or documentation that we requested.

What to do after DGR endorsement

Once DGR endorsed your community charity should:

- use the Australian Business Register
- issue receipts
- undertake regular self-reviews
- keep proper accounts
- submit annual returns
- meet your minimum annual distribution requirement
- comply with community charity guideline rules.

Use the Australian Business Register

The ABR records that a community charity corporation is DGR endorsed.

You should direct potential donors to confirm your DGR endorsement status on ABN Lookup before they donate.

Issue receipts

Your community charity corporation is entitled to receive income tax deductible gifts from the start date of its DGR endorsement. A deduction for gifts made to a DGR is claimed by the person or organisation that makes the gift (the donor).

The guidelines require community charity corporations to issue receipts for all tax deductible gifts they receive. Receipts must include:

- community charity corporation name and ABN
- the name of the donor
- a statement that the receipt is for a gift it has received.

If the community charity corporation doesn't include this information on its receipts when required, its DGR endorsement may be revoked.

Find out about gift types and conditions.

Undertake regular self-reviews

You must notify us if your community charity ceases to be eligible for DGR endorsement. You should review DGR eligibility each year or whenever there is a substantial change in your activities. To review your DGR status download and complete our Worksheet 1: review of a DGR endorsed as a whole.

If you complete the self-review worksheet and find that your community charity remains eligible for DGR endorsement, you don't have to contact us. Your DGR status will remain unchanged. Keep the completed worksheet with your organisation's other records, as it shows why and how you arrived at the decision.

If you complete the self-review worksheet and find that your community charity is no longer entitled to DGR endorsement, you must tell us in writing. You need to do this before entitlement ceases or as soon as practicable afterwards.

Directors of community charity corporations may be liable for administrative penalties if they represent or mislead that the community charity is:

- eligible to remain DGR endorsed, when it is not eligible
- DGR endorsed, when it is not.

Keep proper accounts

As a DGR, your community charity must keep adequate accounting and other records that detail and explain all transactions that are relevant to its status as a DGR.

You must maintain these records for at least 5 years after the completion of a transaction or an act that it relates to. The community charity guidelines provide the penalty for not keeping proper accounts is 10 penalty units.

Submit annual returns

You are required to lodge a community charity corporation return for each financial year, even if it is exempt from income tax. The new return is under development.

We expect the return, and supporting guidance on how to lodge, will be finalised by late 2025.

To be notified when the return is available subscribe to our monthly NFP newsletter. You can also visit the Not-for-profit newsroom at any time to search for new articles.

Meet your minimum annual distribution requirement

Community Charity Guidelines 2025 require that community charity corporations distribute at least 4% of the market value of their net assets each financial year. The market value is taken as at the end of the previous financial year.

Community charity corporations can make distributions by:

- providing money, property or benefits to a DGR (other than to an ancillary fund or other community charity) for any of their DGR purposes
- incurring expenditure in the direct course or furtherance of its purpose that is either:
  - the principal activity of a DGR (other than an ancillary fund, a DGR that is specifically listed by name or a community charity)
  - pursuing the principal purpose of a DGR (other than an ancillary fund, a DGR that is specifically listed by name or a community charity)

- incurring expenditure in the direct course or furtherance of its purpose in establishing one or more DGR entities (other than an ancillary fund or a community charity).

You can apply to reduce your minimum annual distribution rate for a financial year. The new return is under development and expect that it will be available in 2026.

The community charity guidelines provide the penalty for not meeting the minimum annual distribution requirements is 30 penalty units (if a shortfall is greater than $1,000).

Newly established community charity corporations

Community charity corporations are not required to make a distribution during the financial year in which they are established or during the next 4 financial years. During this time, directors should consider the purpose of the community charity corporation when deciding on an appropriate annual distribution amount during its early years.

Comply with community charity guideline rules

Failure to comply with the rules in the Community Charity Guidelines 2025 means:

- the directors may incur administrative penalties
- the community charity corporation will no longer be eligible to be DGR endorsed.

Directors of community charity corporations are generally jointly and severally liable for any administrative penalty associated with the guidelines. These penalties can't be reimbursed from the community charity corporation.

How to revoke an agreement to comply with the guidelines

A director may revoke their agreement to comply with the rules in the Community Charity Guidelines 2025 by submitting a Community charity corporations – revocation form.

NFP support and news

Visit the Not-for-profit newsroom and search for tax, super and registry articles relevant to your NFP. Another great way to stay up to date is to subscribe to our NFP Newsletter. It is emailed each month.

Using the NFP tax, super and registry responsibilities checklist will also help you track and meet obligations for your NFP. Follow along during the year and check off tasks as you go.

If you have further questions, phone **1300 130 248** between 8 am and 6 pm, Monday to Friday.

QC 105476

Community sheds

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

Last updated 6 July 2026

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 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 one: 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
- property (for example, tools or supplies) that is purchased during the 12 months before making the gift
- property that we value at more than $5,000
- trading stock.

Before 1 July 2024, you can only claim a deduction for gifts and donations of $2 or more.

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).

QC 63638

Cultural organisations

Requirements for cultural organisations seeking endorsement as a deductible gift recipient (DGR).

Last updated 6 July 2026

Definition of a cultural organisation

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

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.

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 that is not the promotion of one or more of the specified cultural forms are not considered as cultural organisations for DGR endorsement.

This includes organisations with a purpose of promoting cultural traditions, languages, religious practices, or social norms, even if these may be considered 'cultural' in a broader sense. Examples of organisations that are not eligible for DGR endorsement under this category can include:

- a community group dedicated to preserving traditional customs and languages of a particular ethnic group
- a religious organisation whose main activities involve spiritual education and worship
- ethnic community associations that focus on social support, cultural festivals or heritage preservation without a dominant purpose of promoting a specified cultural form.

Example one: community group that is not eligible

Traditions of Harmony Inc is a community group established to preserve the traditional customs, languages and social practices

of a Southeast Asian ethnic group. Its activities include cultural festivals, language classes and oral history projects.

Although these activities have cultural value, the organisation's principal purpose is not the promotion of a specified cultural form, such as music or visual arts.

It is not eligible for endorsement as a cultural organisation.

Example 2: religious organisation that is not eligible

Faith & Light Ministries is a religious organisation whose main activities involve spiritual education, worship services and community outreach.

Although the organisation may occasionally host musical performances or art workshops, these are ancillary to its religious purpose. Its principal purpose is religious, rather than the promotion of a specified cultural form for the purposes of the DGR category.

It is not eligible for endorsement as a cultural organisation.

Example 3: ethnic community association that is not eligible

Unity Heritage Association is an ethnic community association that organises cultural celebrations, supports migrant families and promotes heritage preservation.

Although the organisation engages in traditional dance, its principal purpose is social support and the preservation of cultural identity, rather than the promotion of a specified cultural form for the purposes of the DGR category.

It is not eligible for endorsement as a cultural organisation.

Specified cultural forms

Specified cultural forms refers to a defined list of artistic and cultural expressions set out in the legislation. The cultural forms are not defined in the legislation and take on their ordinary meaning.

Literature

Literature includes works of high literary merit, such as fiction, poetry, narrative non-fiction, graphic novels, and literary criticism. Eligible organisations may promote literature through festivals, writer development programs or literary education.

Music

Music includes the composition, performance, recording, and appreciation of music across genres. Activities may include live performances, music education, sound engineering and support for musicians.

A performing art

Performing arts include live or recorded performance disciplines such as dance, theatre, opera, musicals, circus, and physical theatre. Organisations may support performers, choreographers and production teams or operate venues dedicated to performing arts.

A visual art

Visual arts encompass art forms typically exhibited in galleries or public spaces, including painting, sculpture, photography, ceramics, printmaking, and conceptual or contemporary art.

A craft

Craft refers to handmade or traditionally crafted items with artistic value, such as pottery, textiles, woodworking, jewellery and leatherwork. Organisations may support makers through exhibitions and education.

Design

Design includes artistic and functional design disciplines such as fashion, furniture, architecture (non-commercial), graphic novels, book illustration and digital design. Organisations may promote designers or design education.

Film

Film involves the creation, distribution, and exhibition of cinematic works. Eligible organisations may run film festivals, support independent filmmakers, or promote diverse film genres and audiences.

Video

Video covers moving image content delivered by any means, including online platforms. It includes video art, documentaries and other visual storytelling forms. Organisations may produce or exhibit video works.

Television

This category focuses on the development and broadcast of television programs, particularly those with cultural or artistic value. Holding a broadcast licence and producing content is an indicator of eligibility.

Radio

This category generally involves the operation of community or cultural radio stations that promote music, arts and local cultural content. Organisations may support Australian musicians, cultural programming and community engagement. Holding a radio broadcast licence is an indicator of eligibility.

Community arts

Community arts are generally collaborative arts projects involving communities and artists. Activities may include visual arts, music, literature, and performance that express identity, aspirations, or social issues. Organisations must have a principal artistic purpose.

Arts or languages of Indigenous persons

Includes the promotion of traditional Aboriginal and Torres Strait Islander arts and languages. Eligible organisations may operate language centres or art centres. Organisations may also engage in activities connected to caring for country, provided this is incidental or secondary to their principal cultural purpose.

Movable cultural heritage

Movable cultural heritage covers portable items of cultural significance, such as maritime collections, rare books, archaeological artefacts and scientific specimens. Organisations must demonstrate

public benefit and the importance of the collection through independent expert recognition or preservation efforts.

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 forms 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. Find out more about the characteristics and requirements for a gift fund.

Changes to the Register of Cultural Organisations

Before 1 January 2024, in order for cultural organisations and their public fund to be endorsed as a DGR, the organisation and funds had to be registered on the Register of Cultural Organisations (administered by the Department of Infrastructure, Transport, Regional Development, Communications and the Arts).

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.

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

Before 1 July 2024, you can only claim a deduction for gifts and donations of $2 or more.

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

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.

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 6 July 2026

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

Before 1 July 2024, you can only claim a deduction for gifts and donations of $2 or more.

QC 16805

Environmental organisations

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

Last updated 6 July 2026

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

Before 1 July 2024, you can only claim a deduction for gifts and donations of $2 or more.

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 6 July 2026

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.

Example of clause: 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
- property that is purchased during the 12 months before making the gift
- property that we value at more than $5,000
- trading stock.

Before 1 July 2024, you can only claim a deduction for gifts and donations of $2 or more.

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.

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