



## Fundraising

Detailed information about fundraising and not-for-profit organisations.

### State, territory and local government requirements for not-for-profits

Fundraising activities such as bingo, raffles and doorknock appeals are regulated by state and territory authorities. If your organisation's fundraising activities involve the use of a public place, you should check with your local council about its requirements.

### Valuing the minor benefit

DGRs are responsible for working out the market value of the goods, services and events they offer to donors so donors can work out the amount they can claim as a tax deduction.

### Special conditions for some Deductible Gift Recipients

Check what Deductible Gift Recipients (DGRs) have special gift conditions.

### Claiming conservation covenant concessions

You may be eligible to claim tax concessions for conservation

## Claiming political contributions and gifts >

Political parties are not DGRs. However, in some circumstances, gifts and contributions made by individuals to political parties and independent candidates may be tax deductible.

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## State, territory and local government requirements for not-for-profits

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States, territories and local governments have their own laws regulating the fundraising activities of NFP organisations.

The information about state and territory fundraising has been provided by the regulators for that state or territory – you should check with the regulator to make sure information is current.

### Find out about:

- [Australian Capital Territory](#)
- [New South Wales](#)
- [Northern Territory](#)
- [Queensland](#)
- [South Australia](#)
- [Tasmania](#)

- [Victoria](#)
- [Western Australia](#)
- [Local government requirements](#)

## Australian Capital Territory

Fundraising in the Australian Capital Territory is regulated by:

- ACT Gambling and Racing Commission
- Access Canberra.

These regulators have provided the information in this section.

### ACT Gambling and Racing Commission

#### What types of fundraising activities are regulated?

The relevant legislation is the *Lotteries Act 1964*. While the definition of 'lottery' is broad, fundraising activities regulated by the Commission are primarily raffles, housie (bingo) and, to a lesser degree, calcuttas.

#### What permits or approvals are required?

Generally, a permit is required to conduct the abovementioned activities. There may be exceptions where either:


- the organisation is NFP and the prize value is less than \$500
- a club/association wants to conduct a lottery among members only and there is no external advertising.

A copy of *Information and conditions* for each fundraising activity is available on the Commission's website (see below).

#### Other issues to consider

For housie applications, the Commission may also need to consider provisions under the Gambling and Racing Control (Code of Practice) Regulation 2002. A copy is available on the Commission's website.

#### To contact the ACT Gambling and Racing Commission:

- visit [gamblingandracing.act.gov.au](http://gamblingandracing.act.gov.au) 
- phone **(02) 6207 0361**

- fax **(02) 6207 7390**
- email [lotteries@act.gov.au](mailto:lotteries@act.gov.au)
- mail

**ACT Gambling and Racing Commission**  
**PO Box 214**  
**CIVIC SQUARE ACT 2608**

## **Access Canberra**

### **What types of fundraising activities are regulated?**

In the ACT, all types of collections made for charitable purposes are regulated by the *Charitable Collections Act 2003*. Collections include money or goods donated or sold. They include personal door-to-door and public place collections, collection bins, collections by telephone, written appeals, internet and other forms of electronic communication.

### **What permits or approvals are required?**

Unless exempt, collecting for charity requires a licence. A licence application form is available on Access Canberra's website (see below).

### **Do you need a licence?**

You must have a licence (or be included on the licence of a current licensee) if you intend to conduct a collection within the ACT that is not exempt under the *Charitable Collections Act 2003*. For more information, visit Access Canberra's website.

### **Exempt collections**

For some types of collections the *Charitable Collections Act 2003* provides exemption from the requirement to be licensed.

The following are declared not to be a collection:

- where money is received by a school and is a genuine fee or charge by the school for educational purposes, or a voluntary contribution to the school for educational purposes that is solicited or received from a person with parental responsibility for a child who is enrolled at the school
- where the collection is less than \$15,000 in a financial year, or

- where the collection is undertaken by an organisation accredited by AusAID.

We recommend that you visit Access Canberra's website for charitable collections in the ACT. The site provides access to a greater level of information on the licensing and reporting requirements under the Act, and provides easy access to all forms required by applicants and/or licensees in meeting the obligations under the Act.

**To contact Access Canberra:**

- visit [accesscanberra.act.gov.au](https://accesscanberra.act.gov.au) 
- phone **(02) 6207 3000**
- fax **(02) 6207 0424**
- email [ors.bil@act.gov.au](mailto:ors.bil@act.gov.au)
- mail

**Access Canberra**  
**GPO Box 158**  
**CANBERRA CITY ACT 2601**

## **New South Wales**

Charitable fundraising in New South Wales is regulated by NSW Fair Trading.

This regulator has provided the information in this section.

### **NSW Fair Trading**

#### **What types of fundraising activities are regulated?**

In New South Wales, the raising of money for a charitable purpose – that is, conducting a fundraising appeal for a charitable purpose – is governed by the *Charitable Fundraising Act 1991*.

The soliciting or receiving of any money, property or other benefit from the public constitutes a fundraising appeal for a charitable purpose if a representation is made (this may be implied) that the appeal is for a charitable purpose or for the support of an organisation having a charitable object.

An appeal may take a variety of forms – donations, sponsorship, telethons, the conduct of lotteries and games of chance, the supply of food, entertainment or other goods or services, or in connection with any other commercial undertaking. A membership drive undertaken by an organisation is a fundraising appeal if one of the objects of the organisation is a charitable object. The term is not limited to simple collections from the public.

If your organisation conducts fundraising appeals for a purpose that is not charitable, then the raising of that money is not governed by the *Charitable Fundraising Act 1991*.

However, if this fundraising includes a form of lottery or game of chance, it may be governed by the *Lotteries and Art Unions Act 1901*. Persons, charities and other organisations may be authorised under this Act to conduct certain lotteries and games of chance as fundraising activities, social pastimes or entertainment, or to promote the sale or use of products or services.

These lotteries and games of chance include activities such as raffles, art unions, charity housie and lotteries for the promotion of a trade or business.

### **What permits or approvals are required?**

If your organisation intends to fundraise for a charitable purpose it must hold an authority to fundraise, which is a form of NSW government licence. NSW Fair Trading is responsible for issuing this type of licence.

If you are a person or an organisation who intends to fundraise for a charitable purpose you must be an authorised fundraiser. However, an authority will only be issued to a natural person in exceptional circumstances.

If you intend to fundraise for a charitable purpose in the name of, or on behalf of, another organisation, the appeal must be authorised by that organisation which in turn must either be an authorised fundraiser or be exempt from the need to be an authorised fundraiser.

Some organisations are allowed to conduct fundraising appeals for a charitable purpose without holding an authority to fundraise, if they are established under a New South Wales Act and are subject to the control of a New South Wales government minister. However, these organisations are still required to comply with the other provisions of the *Charitable Fundraising Act 1991*. Parents and citizens associations

and New South Wales state emergency services are examples of such organisations.

Certain religious bodies are also exempt from most provisions of the *Charitable Fundraising Act 1991*.

An authority to fundraise is issued with certain conditions, which are aimed at ensuring financial, fundraising and management accountabilities.

Some forms of lotteries and games of chance require a permit. These include art unions, charity housie, lucky envelopes and chocolate wheels.

**To contact NSW Fair Trading:**

- visit [www.fairtrading.nsw.gov.au](http://www.fairtrading.nsw.gov.au)  – where you can find
  - more information about NSW charitable fundraising laws
  - application forms
  - fact sheets on charitable fundraising and community gaming.
- phone **(02) 9895 0011**
- email
  - [charity.inquiries@finance.nsw.gov.au](mailto:charity.inquiries@finance.nsw.gov.au)
  - [lottery.inquiries@olgr.nsw.gov.au](mailto:lottery.inquiries@olgr.nsw.gov.au)
- mail:

**NSW Fair Trading**  
**PO Box 972**  
**PARRAMATTA NSW 2124**

**See also:**

For information about licence holders, visit [onegov.nsw.gov.au](http://onegov.nsw.gov.au)

## **Northern Territory**

Fundraising in the Northern Territory is regulated by the Licensing, Regulation and Alcohol Strategy Division, NT Department of Business.

This regulator has provided the information in this section.

## **Licensing, Regulation and Alcohol Strategy Division, NT Department of Business**

### **What types of fundraising activities are regulated?**

The relevant legislation is part IV of the *Gaming Control Act* and attendant Regulations, which regulate the following activities:

- lotteries
- trade lotteries
- games of chance in the nature of a lottery (raffles, sweepstakes, calcuttas, bingo, mini-lotto and tipping competitions).

### **What permits or approvals are required?**

A permit is required to conduct lotteries and trade lotteries that offer a total prize pool of more than \$5,000. A permit is not required for trade lotteries that have been granted a permit interstate.

**Minor lotteries:** A minor lottery is where the total value of tickets available for sale is between \$5,001 and \$20,000.

**Major lotteries:** A major lottery is where the total value of tickets available for sale exceeds \$20,000.

**Trade lotteries:** A trade lottery is where the total value of prizes offered exceeds \$5,000.

### **Other issues to consider**

Only approved associations, or a person who has obtained the express permission of the minister, may conduct a lottery or game in the nature of a lottery in the Northern Territory. Any person carrying on a trade or business in the Territory may conduct a trade lottery.

### **To contact the Licensing, Regulation and Alcohol Strategy Division, NT Department of Business:**

- visit [dob.nt.gov.au/gambling-licensing](http://dob.nt.gov.au/gambling-licensing)
- phone **(08) 8999 1800**
- fax **(08) 8999 1888**



- mail

**Licensing, Regulation and Alcohol Strategy Division**  
**NT Department of Business**  
**PO Box 1154**  
**DARWIN NT 0801**

## Queensland

Fundraising in Queensland is regulated by the:

- Office of Fair Trading, Queensland
- Office of Liquor and Gaming Regulation.

These regulators have provided the information in this section.

### Office of Fair Trading, Queensland

#### What types of fundraising activities are regulated?

The Office of Fair Trading (OFT) administers the *Collections Act 1966*, which regulates charitable associations and community purpose organisations that conduct appeals for public support or fundraising in Queensland. Any organisation that wants to publicly fundraise for a charitable or community purpose is governed by this Act.

Activities regulated by OFT under the *Collections Act 1966* include:

- fundraising appeals
- door-to-door appeals and street collections, and
- commercial appeals on behalf of charities by entrepreneurs.

#### What permits or approvals are required?

Under the *Collections Act 1966*, you may require either of the following two approvals.

#### Registering a charitable association

To be registered as a charitable association, an association's objectives must meet the definition of 'charitable purpose' under the *Collections Act 1966*. The applicant needs to complete *Form 1 – Application for registration* and lodge it with OFT for approval.

If approved, OFT will issue the applicant with *Form 2 – Certificate of registration as a charity*. It is a one-off requirement for each charity to register if it intends conducting appeals for support. A registered charity may continue to fundraise until its registration is cancelled or it is directed to cease fundraising.

## **Obtaining a sanction for authority to fundraise**


Organisations wanting to fundraise or conduct an appeal for a community purpose may be required to apply for a sanction. The applicant needs to complete *Form 5 – Application for sanction* and lodge it with OFT for approval.

If approved, OFT will issue the applicant with *Form 6 – Certificate of sanction*. The organisation may continue to fundraise until the sanction expires, it is cancelled or it is directed to cease fundraising.

## **What is the difference between a charitable association and community purpose organisation?**

A charitable association is an organisation established solely for any charitable purpose as defined by the *Collections Act 1966*. A community purpose organisation is an organisation that raises funds or conduct appeals for the general welfare of the community.

### **See also:**

- [fairtrading.qld.gov.au](http://fairtrading.qld.gov.au)  – to apply to register a charitable association or for a sanction to fundraise

## **Conducting a door-to-door appeal or street collection**

Once registered as a charitable association or a sanction is obtained, certain rules must be followed when making door-to-door appeals and street collections.

The applicant needs to complete *Form 8 – Application to have a day assigned for a door-to-door appeal or street collection* and lodge it with OFT for approval. If approved, the applicant will receive either *Form 9 – Assignment of day for door-to-door appeal* or *Form 10 – Assignment of day for street collection*, depending on which of the two approvals is sought.

## **Other issues to consider**

Registered charitable associations and sanctioned organisations must have their financial records audited annually. A copy of the audited


financial statement must be submitted to OFT within seven months of the end of the organisation's financial year. A current copy of the organisation's constitution must be held with OFT. The public can search these documents for a small fee.

Some elements of fundraising or charitable activities in Queensland require approvals from other regulatory bodies. For example, fundraising activities involving liquor are regulated by the Office of Liquor and Gaming Regulation (OLGR).

**See also:**

For liquor licensing, visit [olgr.qld.gov.au](http://olgr.qld.gov.au) 

**To contact the Office of Fair Trading, Queensland:**

- visit [fairtrading.qld.gov.au](http://fairtrading.qld.gov.au)  – for more information on charitable associations and fundraising in Queensland. phone **13 QGOV (13 74 68)**
- email [BrisbaneOFT@justice.qld.gov.au](mailto:BrisbaneOFT@justice.qld.gov.au)
- mail:

**Office of Fair Trading Queensland  
GPO Box 3111  
BRISBANE QLD 4001**

## **Office of Liquor and Gaming Regulation**

### **What types of fundraising activities are regulated?**

The Office of Liquor and Gaming Regulation regulates all gaming activities conducted in Queensland. One form of legislation that it administers is the *Charitable and Non-Profit Gaming Act 1999*. This provides a framework that enables charitable and non-profit associations throughout Queensland to successfully raise funds through charitable gaming activities.

The *Charitable and Non-Profit Gaming Act 1999* has been enacted to ensure the continuing integrity and probity of the charitable and non-profit gaming industry through:

- clear reporting and accounting requirements
- strengthened requirements for the delivery of prizes
- detailed investigation and enforcement provisions

- concise rules of games.

The *Charitable and Non-Profit Gaming Act 1999* regulates the gaming activities currently undertaken by Queensland's charitable and non-profit gaming entities, namely:

- art unions – including raffles, non-profit sweeps and non-profit bingo
- bingo
- calcutta sweeps
- lucky envelopes
- promotional games.

### **What permits or approvals are required?**

All games regulated by the *Charitable and Non-Profit Gaming Act 1999* are divided into the following four categories based on gross proceeds per draw or, in the case of bingo, gross proceeds per bingo session:

**Category 1:** includes any game where the gross proceeds for each draw, or each bingo session, are \$2,000 or less (excluding lucky envelopes).

**Category 2:** includes any game where the gross proceeds for each draw are greater than \$2,000 and no more than \$50,000. Exceptions include lucky envelopes which limit the gross proceeds to \$5,000 or less, and bingo gross proceeds which are not permitted to exceed \$20,000.

**Category 3:** includes any game that has gross proceeds for each draw of more than \$50,000.

**Category 4:** games, commonly known as trade promotions, are referred to in the *Charitable and Non-Profit Gaming Act 1999* as promotional games.

The *Charitable and Non-Profit Gaming Act 1999* provides for the following licence types:

- a licence to conduct a category 3 game
- a licence to conduct a special category 3 game
- a bingo centre licence

- a lucky envelope printer licence.

Issuing licences to conduct games is based on the estimated gross proceeds for a single draw in a game or session. A licence will allow the licence holder to conduct several games and/or gaming activities in accordance with the legislation and conditions of the licence during the term of the licence.

A special licence may also be issued to a person intending to raise funds through the conduct of a single art union to assist persons who have been affected by disaster or have been otherwise disadvantaged. The licence allows entities not normally empowered by the *Charitable and Non-Profit Gaming Act 1999* to legally conduct a game to raise funds for such purposes. However, the chief executive must be satisfied of the existence of exceptional circumstances before granting a special licence.

## **Other issues to consider**

- Association
  - An association is a group of at least four persons, whether or not incorporated, which is formed for a worthwhile common purpose.
  - An association that is not an eligible association is restricted to the conduct of category 1 games.
  - Individuals may also conduct category 1 games providing all proceeds are returned as prizes.
- Eligible associations
  - An eligible association is an association formed for charitable, religious, educational, patriotic, sporting and community purposes, parents and citizens associations and political parties.
  - All games conducted as either category 2 or category 3 games (except for category 3 games conducted by a special category 3 licensee) are restricted to eligible associations.
  - Eligible associations that conduct category 3 games must be incorporated.

**To contact the Office of Liquor and Gaming Regulation:**

- visit [business.qld.gov.au/industry/liquor-gaming](https://business.qld.gov.au/industry/liquor-gaming) 
- phone **13 QGOV (13 74 68)**
- fax **(07) 3872 0957**
- email [liquorandgaminglicensing@justice.qld.gov.au](mailto:liquorandgaminglicensing@justice.qld.gov.au)
- mail

**Office of Liquor and Gaming Regulation  
Locked Bag 180  
CITY EAST QLD 4002**

## South Australia

Fundraising in South Australia is regulated by Consumer and Business Services.

This regulator has provided the information in this section.

### Consumer and Business Services

#### What types of fundraising activities are regulated?

Consumer and Business Services regulate gambling and community fundraising activities in South Australia, with administrative responsibility for the control of:

- charitable collections
- fundraising lotteries.

Charitable collections must comply with provisions in the *Collections for Charitable Purposes Act 1939* (CCP Act) and the *Collections for Charitable Purposes Act 1939 – Code of Practice*.

NFP organisations seeking to raise monies using fundraiser lotteries must comply with the provisions in the *Lottery and Gaming Act 1936* (LG Act) and the *Lottery and Gaming Regulations 2008* (LG Regulations).

#### What permits or approvals are required?

##### Charitable collections

A person who wants to collect or attempt to collect any money or goods or obtain or attempt to obtain money by the sale of any disc, badge, token, flower, or other device for any charitable purpose as defined, must be the holder of a section 6 licence under the CCP Act.

A collection agent who has entered into a collection contract with a charity as a collector for the charity, and employs another person to collect or attempt to collect any money or goods for a charitable purpose as defined, must be the holder of a section 6A licence under the CCP Act.

A person who wants to conduct entertainment where the proceeds are to be applied to a charitable purpose as defined, must be the holder of a section 7 licence under the CCP Act.

For the purposes of the CCP Act, a 'charitable purpose' means:

- the affording of relief to diseased, disabled, sick, infirm, incurable, poor, destitute, helpless, or unemployed persons, or to the dependants of any such persons
- the relief of distress occasioned by war, whether occasioned in South Australia or elsewhere
- the affording of relief, assistance, or support to persons who are or have been members of the armed forces of Australia or to the dependants of any such persons
- the provision of welfare services for animals.

For the purposes of the CCP Act, a person may apply for a licence to the Liquor and Gambling Commissioner as delegate for the Minister, who may grant or refuse a section 6, section 6A or section 7 licence. Such licences are granted subject to a condition that the licensee must comply with the provisions of a code of practice issued by the minister.

### **NFP fundraising lotteries**

The LG Act and LG Regulations regulate, among other things, the fundraising lotteries of community organisations. The LG Regulations provide a series of restrictions on various classes of lottery, including major and minor lotteries, instant lotteries and 'eyes down bingo'.

These lotteries are conducted by NFP associations and clubs (including charities, social clubs, political parties, registered clubs, sporting clubs and trade unions) having a body of persons that has at

least 10 members, a management committee elected by the members and a written constitution.

**Major lotteries:** A major lottery is a fundraising lottery conducted by an NFP club or association where the total value of all prizes in the lottery exceeds \$5,000 and the prizes are distributed by lot or drawing. A major lottery does not include an instant lottery, sweepstakes or calcutta sweepstakes.


**Instant lotteries:** Instant lotteries are fundraising lotteries conducted by NFP clubs or associations through the sale of approved instant scratch or 'break-open' tickets that is beer or bingo tickets.

**Bingo lotteries:** Bingo sessions are fundraising lotteries conducted by NFP clubs or associations involving the game of chance commonly known as 'bingo', 'housie', 'housie housie' or 'eyes down bingo'. A bingo licence is required if the total gross proceeds of a session exceeds \$500.

For the purposes of the LG Act and the LG Regulations, the Minister for Gambling may grant or refuse an application for a major lottery, an instant ticket lottery and 'eyes down bingo' lottery.

All lotteries (licensed and exempt) are subject to the lottery rules prescribed in the LG Regulations.

**To contact Consumer and Business Services:**

- visit [cbs.sa.gov.au](https://cbs.sa.gov.au)  – the website contains information about all charitable and lottery activities
- phone **13 18 82**
- email
- charitable collections email: [charities@agd.sa.gov.au](mailto:charities@agd.sa.gov.au)
- fundraising lotteries email: [lottery@agd.sa.gov.au](mailto:lottery@agd.sa.gov.au)
- mail

**Consumer and Business Services**  
**GPO Box 2169**  
**ADELAIDE SA 5001**

## **Tasmania**



Fundraising in Tasmania is regulated by:

- Liquor and Gaming Branch, representing the Tasmanian Gaming Commission
- Consumer Affairs and Fair Trading.

These regulators have provided the information in this section.

## **Liquor and Gaming Branch, representing the Tasmanian Gaming Commission**

### **What types of fundraising activities are regulated?**

Fundraising in Tasmania can be undertaken by, or on behalf of, NFP or charitable organisations. 'minor gaming' is the term given to authorised games regulated by the Tasmanian Gaming Commission, including raffles, bingo, calcutta sweepstakes, instant draw bingo, lucky envelopes, dancing dollars and Tassie's best punter. The Commission's website clearly defines the rules and conditions of each of these games.

### **What permits or approvals are required?**

An individual or organisation must complete and submit an application for a minor gaming permit accompanied by an *Individual Activity Notification* (IAN) form in relation to the authorised game nominated to take place. The Commission then approves or rejects the application. An IAN form can also be submitted as a separate form after permit approval by the Commission. A minor gaming permit is valid for either 12 or 24 months and any number of authorised games can be conducted in that time under the permit.

A Foreign Games Permit valid for up to five years is also available for mainland organisations wanting to sell raffle/lottery tickets from premises in Tasmania such as shopping centres. At present, mainland organisations can telemarket and direct mail raffle/lottery tickets into Tasmania without a minor gaming permit. However, the organisation must have a permit in its respective state or territory, and tickets sold are not for on-selling.

### **Other issues to consider**

In all cases, whether or not a minor gaming permit is required, all fundraising activities must be held in accordance with the applicable

rules and conditions and with the provisions set out in the *Gaming Control Act 1993*.

The Commission may declare a game to be an exempt game not requiring a minor gaming permit. Examples of this would be raffles where the total value of the prizes is less than \$5,000 and tipping competitions where the total contributions do not exceed \$10,000 and the total sum contributed is distributed as prizes.

The Commission determines which games are to be authorised under the *Gaming Control Act 1993*. To seek approval for a new game, an application must be submitted to the Tasmanian Gaming Commission. Application forms are available on the Commission's website.

A permit is not required to conduct a trade promotion in Tasmania. In certain circumstances schemes to distribute prizes for the promotion of business are excluded from the definition of a lottery in the *Gaming Control Act 1993* and are therefore lawful in Tasmania without a permit. More information about trade promotions is available on the Commission's website.

**To contact the Liquor and Gaming Branch, representing the Tasmanian Gaming Commission:**

- visit [treasury.tas.gov.au](https://treasury.tas.gov.au) 
- phone **(03) 6166 4040**
- fax **(03) 6234 1728**
- email [gaming@treasury.tas.gov.au](mailto:gaming@treasury.tas.gov.au)
- mail

**Liquor and Gaming Branch  
GPO Box 1374  
HOBART TAS 7001**

## **Consumer Affairs and Fair Trading**

### **What types of fundraising activities are regulated?**

Consumer Affairs and Fair Trading administers the *Collections for Charities Act 2001*.

This legislation applies to any person, incorporated body, individual, unincorporated body, religious organisation or any other organisation

which solicits donations for a charitable purpose. Donations include money, goods or services donated or bequeathed.

Soliciting for donations means any request for donation however communicated, and includes solicitation by telephone, email, door-to-door, and standing with a donations tin in public. It also includes the giving of pins, badges and stickers if in response to a donation rather than an actual sale of the item.

The Act does not apply to:

- the sale of goods or services such as chocolate fundraisers
- a request for renewal of membership of an organisation
- an appeal by an organisation to its membership such as that by a cricket club or hobby group
- an appeal within premises that are used by a club or religious organisation such as a collection plate
- an appeal to a Commonwealth, state or local authority
- raffle tickets.

## **What permits or approvals are required?**


Organisations based outside of Tasmania must not solicit for public donations unless they have obtained approval from the Commissioner of Corporate Affairs. It is an offence to collect without the proper approval, so if you have any doubt, obtain the *Charitable Collectors Handbook* by phoning Consumer Affairs and Fair Trading or visiting the website.

## **Other issues to consider**

- Children and young collectors
  - Children under the age of 12 years may solicit for donations, only if they are under the immediate control of an adult person.
  - Persons aged between 12 and 15 years may solicit for donations, only if they are under the supervision of an adult.
  - Persons 16 years of age or over may solicit for donations without supervision.
- Soliciting by telephone

- If a person solicits for a charitable purpose by telephone, the caller must identify certain details about the organisation they represent.
- Fundraisers who telephone residential numbers seeking donations may only do so between 9.00am and 8.00pm on any day.
- Going door-to-door and soliciting in a public place – certain requirements apply when undertaking doorknocks, or soliciting for donations in a public place. The requirements include
  - wearing an identity card
  - providing information about the organisation to donors
  - restricted hours for doorknocks.
- Soliciting through writing, electronic media or advertising
  - Organisations often make written requests for donations.
  - These may be addressed to the recipient or be in the form of a general request or public advertisement.
  - Any written request, however communicated, must include specific information about the organisation and the purpose of the donation.
- Collections on public streets
  - In addition to the requirements of the *Collections for Charities Act*, you must seek permission from Tasmania Police and the local council or local authority if you wish to collect for donations on a public street.
  - This type of collecting is regulated to avoid overlap between fundraising days and areas, one year in advance.
  - Applications for allocation of a fundraising day may be made at any time but are usually made in October or November.
  - For more information, phone Tasmania Police Traffic Liaison Services on **(03) 6230 2111**.

**To contact Consumer Affairs and Fair Trading:**

- visit [consumer.tas.gov.au/registrations/charities](https://consumer.tas.gov.au/registrations/charities) 
- phone **1300 654 499**
- fax **(03) 6233 4882**
- email [consumer.affairs@justice.tas.gov.au](mailto:consumer.affairs@justice.tas.gov.au)
- mail

**Consumer Affairs and Fair Trading**  
**GPO Box 1244**  
**HOBART TAS 7001**

## **Victoria**

Fundraising in Victoria is regulated by:

- Department of Justice & Regulation (Consumer Affairs Victoria)
- Victorian Commission for Gambling and Liquor Regulation.

These regulators have provided the information in this section.

### **Consumer Affairs Victoria, Department of Justice & Regulation**

#### **What types of fundraising activities are regulated?**

Fundraising appeals are regulated by the *Fundraising Act (Vic) 1998* (Fundraising Act). The Fundraising Act is administered by Consumer Affairs Victoria.

A fundraising appeal occurs if a person solicits or receives money or a benefit on the basis of a representation that the soliciting or receiving is not solely for the profit or commercial benefit of the person, cause or thing on whose behalf the appeal is being conducted.

Fundraising appeals include:

- doorknock appeals
- telemarketing
- traffic intersection/highway collections (authorisation is also required from the Victorian Police for these types of appeal)

- donations to clothing bins
- the sale of goods at opportunity shops
- appeals run by commercial fundraisers
- public appeals to support a club, association or an environmental or community cause
- public appeals to support a cause or person or group of persons
- the sale of goods where portions of the sale price are donated to an NFP organisation or cause.

The Fundraising Act does not apply to soliciting or receiving money or benefits with respect to the following, which are exempt from the definition of a fundraising appeal:

- gaming activities which are regulated under the *Gambling Regulation Act (Vic) 2003* (the regulation which applies to these activities is described below)
- a patriotic fund
- membership of an organisation
- from a member, or a person who is in the process of becoming a member, of the fundraising organisation, or a relative or personal acquaintance of either of these
- bequests
- a benevolent or philanthropic purpose connected directly with a person or the immediate family of a person who shares a common employer or principal place of business with the fundraiser
- from a government body or a corporation, partnership or trust that is permitted to donate money or benefits by its corporate documents.

## **What permits or approvals are required?**

If you are conducting a fundraising appeal, the Fundraising Act requires that:

- you comply with certain rules when you administer and conduct the fundraising appeal (for example, wearing identification badges when collecting from the public and keeping accurate financial records)

- you register with Consumer Affairs Victoria.


The following organisations are, however, exempt from the requirement to register:

- state schools, council schools or registered schools, and some kindergartens
- universities, TAFE colleges or other tertiary educational institutions
- hospitals or other registered health agencies funded by the Victorian Government
- religious bodies with the authority to marry people
- registered political parties, registered trade unions and registered workplace relations or industrial relations organisations
- NFP organisations that receive less than \$10,000 gross in a financial year from fundraising, and use only unpaid volunteers
- licensed children's services that receive funding for a pre-school program from Services Australia
- the Anti Cancer Council.

Some of these organisations are also exempt from the record-keeping requirements.

The minister administering the Fundraising Act may also, by order, exempt additional people or organisations, or classes of people or organisations, from the requirements to register.

**To contact Consumer Affairs Victoria:**

- visit [consumer.vic.gov.au](https://consumer.vic.gov.au) 
- phone **1300 558 181**
- fax **(03) 9627 6007**
- email [consumer@justice.vic.gov.au](mailto:consumer@justice.vic.gov.au)
- mail

**Consumer Affairs Victoria  
GPO Box 123  
MELBOURNE VIC 3001**

# Victorian Commission for Gambling and Liquor Regulation

## What types of fundraising activities are regulated?

Gaming activities for the benefit of community or charitable organisations are regulated by the *Gambling Regulation Act 2003* (Gaming Act). The Gaming Act is administered by the Victorian Commission for Gambling and Liquor Regulation.

The Gaming Act declares all lotteries/gaming to be illegal unless authorised by the Gaming Act. Only organisations that are declared by the Victorian Commission for Gambling and Liquor Regulation to be genuine community or charitable organisations can conduct activities such as raffles, bingo, fundraising events or selling lucky envelopes.

The Commission can declare an organisation to be a community or charitable organisation if it is satisfied that the organisation is conducted in good faith for any of the following:

- a philanthropic or benevolent purpose, including the promotion of art, culture, science, religion, education or charity, and including the benefiting of a fund certified to be a patriotic fund under section 24 of the *Patriotic Funds Act 1958* or the fund or part of the fund of the Australian Red Cross Society
- a sporting or recreational purpose, including the benefiting of any sporting or recreational club or association
- a political party registered under the *Electoral Act 2002*, the *Commonwealth Electoral Act 1918* of the Commonwealth or a law of another state or territory of the Commonwealth corresponding to these Acts.

## What permits or approvals are required?

Declaration allows the organisation to conduct raffles where the total retail value of prizes does not exceed \$5,000 or apply for permits to undertake raffles where the retail value of prizes exceeds \$5,000. Permits can also be obtained to sell lucky envelopes or run a fundraising function where games that would otherwise be unlawful (that is, casino games) may be played.

All gaming activity conducted by community or charitable organisations must be conducted in accordance with the Gaming Act and its associated regulations.



## Other issues to consider

Other legislation may apply to fundraising activities in addition to legislation which is specifically aimed at fundraising activities. For example, if planning to sell or service liquor at a fundraising event, you will need to ensure that you have the appropriate liquor licence.

### **To contact the Victorian Commission for Gambling and Liquor Regulation:**

- visit [vcglr.vic.gov.au](https://vcglr.vic.gov.au) 
- phone **1300 182 457**
- fax **(03) 9098 5036**
- email [contact@vcglr.vic.gov.au](mailto:contact@vcglr.vic.gov.au)
- mail

**Victorian Commission for Gambling and Liquor Regulation**  
**PO Box 1988**  
**MELBOURNE VIC 3001**

## Western Australia

Fundraising in Western Australia is regulated by:

- Department of Commerce (Consumer Protection Division)
- Gaming and Wagering Commission of WA.

These regulators have provided the information in this section.

### **Department of Commerce, Charitable Collections Section**

#### **What types of fundraising activities are regulated?**

The Department of Commerce regulates:

- collections of money or goods from the public in Western Australia deemed to be for a charitable purpose
- street collections in the Perth metropolitan area regardless of the purpose.

In Western Australia, raffles are not regulated by the Department of Commerce, but by the Department of Racing, Gaming and Liquor.

## **What permits or approvals are required?**

To collect money or goods for a charitable purpose, a licence is required under the *Charitable Collections Act 1946*. The application for a licence is considered by the Charitable Collections Advisory Committee, who make recommendations to the Minister for Commerce. This process can take two to three months if all documents are in order, but longer if there is a requirement to go back to the organisation for more information.

Any organisation wanting to conduct a street collection in Perth, whether licensed under the Charitable Collections Act or not, must have a separate street collection permit. This permit is also granted by the Minister for Commerce and requires approximately three weeks' notice to be granted. Street collections are generally held on Fridays.

## **Other issues to consider**

Organisations that collect and receive money from the public for non-charitable purposes **do not** need to be licensed.

Some examples are:

- sporting clubs or social groups
- schools or kindergartens that operate their own fundraising events.

## **To contact the Department of Commerce, Charitable Collections Section:**

- visit [commerce.wa.gov.au/charities](https://commerce.wa.gov.au/charities)  – for details of licensing requirements, forms, a list of licensed charities in Western Australia, and a calendar of street collections for the year
- phone **(08) 6251 1407**
- email [charities@commerce.wa.gov.au](mailto:charities@commerce.wa.gov.au)
- mail

**Charitable Collections Section  
Department of Commerce  
Locked Bag 14  
CLOISTERS SQUARE WA 6850**

# Gaming and Wagering Commission of Western Australia

## What types of fundraising activities are regulated?

The Gaming and Wagering Commission of Western Australia regulates a number of community gaming activities under the *Gaming and Wagering Commission Act 1987*. These activities include standard lotteries (raffles), bingo, two-up, gaming functions and continuing lotteries (break-open tickets).

## What permits or approvals are required?

Permits and approvals are required for all the above activities where gaming, as defined by the Act, takes place, except for social gaming and minor raffles where one of the following occurs:

- Sale of Tickets and declaration of prizes takes place within 8 days.
  - The maximum value of any prize is \$1,000.
  - Tickets are sold to members, guests or people who work or reside on the premises of a bona fide organisation.
- Tickets are sold to members, guests or people who work or reside on the premises of a bona fide organisation.
  - The aggregated retail value of the prizes does not exceed \$2,000.
  - The lottery is conducted on the same day and on the same premises.
- The aggregated value of prizes does not exceed \$200.
  - Tickets can be sold to members of the public.

## Other issues to consider

The Act prohibits the conduct of (community) gaming for private gain or any commercial undertaking.

## To contact the Department of Racing, Gaming and Liquor:

- visit [rgl.wa.gov.au](http://rgl.wa.gov.au) 

- phone **1800 634 541**
- fax **(08) 9325 1041**
- email [rgl@rgl.wa.gov.au](mailto:rgl@rgl.wa.gov.au)
- mail

**Department of Racing, Gaming and Liquor**  
**PO Box 6119**  
**EAST PERTH WA 6892**

## **Local government requirements**

Local government authorities manage and regulate the use of public places. Public places are lands not under private ownership or lands that are vested in the Crown (Australian Federal state or territory governments). They may include parks, playgrounds, coastal foreshores, sporting grounds, swimming pools, streets, footpaths, cycle ways, town centres, libraries, or community centres.

If an NFP organisation wants to conduct fundraising activities in a public place, it should first find out the requirements of the relevant local council. In some instances, it may also need to consult other government departments, such as state or territory road and transport authorities.

Requirements vary from council to council, but generally can include:

- ensuring that the proposed activity is permissible under the relevant local law, planning policy, scheme or local environment plan
- providing evidence of public liability insurance cover for the event, sufficient security and adequate toilet facilities
- obtaining permits for preparing and selling food on site, operating electrical equipment, closing streets and selling alcohol, and
- providing evidence that any rides (for example, jumping castles or merry-go-rounds) comply with relevant Australian standards, especially occupational health and safety laws.

Fundraising activities such as bingo, raffles and doorknock appeals are regulated by state and territory authorities. If your organisation's fundraising activities involve the use of a public place, you should check with your local council about its requirements.

## Valuing the minor benefit

DGRs are responsible for working out the market value of the goods, services and events they offer to donors so donors can work out the amount they can claim as a tax deduction.

**Last updated** 25 July 2017

DGRs are responsible for working out the market value of the goods, services and events they offer to donors. This is so that donors can work out the amount they can claim as a tax deduction.

The tax deduction which donors can claim equals the contribution paid by the donor less the market value of the item or event as long as the market value is not more than:

- \$150
- 20% of the contribution paid.

## Valuing dinners and similar events

### Price or market comparisons

You can use price comparisons to provide a reliable estimate of the value of benefits if they are common or standard goods, services or events that are commercially available on the open market.

#### Example 1 – Market value

A DGR uses one evening's performance of a play as a fundraising event and charges \$350 a ticket for the performance. The play is open to the public and ordinarily sells for \$35 a ticket. The market value of that play is \$35.

## Example 2 – Market value

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A DGR hosts a two-course charity luncheon at a local restaurant. It charges \$260 a head to attend the charity luncheon. The restaurant would ordinarily charge \$50 a head for a two-course set lunch menu. The market value of the charity luncheon is \$50.

You can make a reasonable estimate of the market value if the event is:

- unusual
- not generally available to the public, or
- the market value of the event is not easily determined.

This is done by taking into account the market price that would be charged for similar transactions in the commercial sector.

If market data for the local market is limited or not available, sale comparisons from a wider market (for example, from other Australian capital cities) may be appropriate.

## Example – Reasonable estimate of market value of unusual event

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As a special fundraising event, a DGR wants to host the opening night performance of a play, to be followed by cocktails and an opportunity to meet the performers. While the performance alone sells for \$45 a ticket, the event (as a package with cocktails and meeting the performers) is not readily available on the open market, so a price comparison may be difficult.

The DGR works out a reasonable estimate of the ticket for the opening night's performance package by establishing what might be reasonably charged for cocktails in that local market. They asked the theatre to quote on a ticket price with catering included. As celebrity performers are involved, they asked for the estimate to include the amount the celebrities would ordinarily charge on the open market for a 'meet the performers' event.

## Cost-based approach

If you cannot establish a reasonable estimate of the market value of the benefit using price or market comparisons, you can use a cost-based approach.

When using the cost-based approach, the market value of the benefit is based on the:

- actual costs
- notional costs, and
- a profit element associated with providing the benefit.

*Actual costs* are costs you pay to stage the event, for example, payments made to hire a venue.

*Notional costs* are the true costs that you would have paid on the open market for goods and services you received for free. For example, if a guest speaker waives their fees, you still need to include the fees that they usually charge on the open market, even though you didn't pay them.

*Profit element* is the amount of profit that would be expected to be made from staging the event on the open market. This may be based on, for example, commercial mark-ups.

Using a cost-based approach, the market value of the ticket price to an event is the sum of all of these amounts divided by the estimated number of participants for the event.

### **Example – Using the cost-based approach to work out the market value of the ticket price for a fundraising luncheon**

A DGR hosts a fundraising luncheon with a celebrity sports star as a guest speaker.

The DGR is able to secure a donation of all the function costs to the event, including the sports celebrity's time. The estimate of the market value using the cost-based approach would include both actual and notional costs associated with staging the event, along with a profit element.

As \$29,000 worth of function costs was donated, the total costs of staging the event include these costs as notional costs.

- *Function costs:*
  - Guest speaker fees – \$5,000 (notional cost)
  - Venue hire – \$2,000 (notional cost)
  - Food and beverage – \$20,000 (notional cost)
  - Catering staff – \$2,000 (notional cost)
- *Marketing costs*
  - Invitation mail-out – \$1,000
  - Printing invitations – \$1,500
  - Menu and other promotional material – \$1,000
- *Administration costs*
  - Administration overheads – \$700
  - Insurance – \$2,000
  - Bump in/out (set up/pack up) costs – \$500
- **Total costs – \$35,700**
- *Profit element – \$1,900*
- **Total costs (actual costs plus notional costs) plus profit – \$37,600**
  - **Unit cost per head (at 800 capacity) – \$47**
  - **Ticket price of the luncheon – \$500**
  - **Market value of the luncheon – \$47**

The DGR works out that an individual who purchases a ticket to the luncheon can claim a deduction of \$453, that is, ticket price (\$500) less the market value (\$47).



## Timing of the valuation

The market value of a ticket to a fundraising event is the market value at the time the contribution is made (for example, when a ticket is purchased for the event), rather than when the event is held. Therefore, an estimate of the market value of the benefit associated with an event should include an estimate of the input costs at the time contributions are likely to be made.

### Example – Changing fees

Tickets were sold for a dinner performance at which Celebrity A would perform, Celebrity A's fees were \$5,000. Before the event takes place, but after all tickets to the event are sold, Celebrity A's demand as a performing artist skyrockets, and his fee substantially increases to \$20,000.

Unexpectedly on the day of the event, Celebrity A brings along a surprise guest – Celebrity B – to co-host the performance.

In calculating the costs of staging the event, Celebrity A's services are valued at \$5,000, that is his fee at the time the tickets were purchased.

The DGR does not need to reflect Celebrity B's usual fees in the estimate of costs of staging that event, as when the tickets were purchased Celebrity B was not known to be part of the event.

## Valuing auction items

The market value of goods and services successfully bid at a fundraising auction is the market value at the time the contribution is made for those items.

### Example – Changing value after purchase

At a charity auction organised by a DGR, Sonya successfully bids \$2,000 for a golf cap owned by a celebrity. The DGR works out the market value of the golf cap as no more than \$100 at the time Sonya purchased the item. However, a week after the purchase, the celebrity dies and the market value for similar items owned by the celebrity increases five-fold. Sonya can still

claim a \$1,900 deduction (\$2,000 – \$100). Since the value of the cap has increased after the charity auction purchase, there is no effect on Sonya's entitlement to a \$1,900 deduction.

You may use price comparisons to provide a reasonable estimate of the value of common or standard goods and services that are commercially available and have a transferable value on the open market. For example, the market value of a dinner for two, or a teapot purchased at auction, is the price these items would normally fetch on the open market.

### **Example – Market value**

Marty successfully bids \$1,000 for a T-shirt that retails for \$20. The market value of the item is its price on the open market, that is, \$20.

If the value of an item has been enhanced, for example, a golf cap signed by a sports celebrity, or a T-shirt worn by a film star, a reasonable estimate of the market value of the item is not the original price of the item. A reasonable estimate is the amount it would reasonably achieve on the open market (for example, at a specialist, curiosity or antique shop or a collector's internet site).

### **Example – Market value too high**

Nina successfully bids \$1,000 for a football signed by a high-profile football team. The DGR values similar items at \$550 on the sports memorabilia market. The market value of the football is \$550, however Nina cannot claim a deduction as the value of the benefit she received (\$550) in return for her contribution (\$1,000) exceeds both \$150 and 20% of the value of her contribution.

If goods or services have no transferable market value at the time of auction, you could reasonably assume that the market value would be nil. Examples of this would be the auction of a child's drawing at a fete or the right to participate in charitable activities that would result in no personal financial gain.

### Example – Nil market value

Phil successfully bids \$260 to shave the head of his friend Tim at a fundraising event. As the right has no transferable market value, the DGR establishes that its market value is nil. Phil can claim a deduction for the full amount of \$260.

QC 46266

## Special conditions for some Deductible Gift Recipients

Check what Deductible Gift Recipients (DGRs) have special gift conditions.

**Last updated** 28 June 2024

### Special gift conditions on DGRs

Some DGRs have special conditions on the kinds of deductible gifts or contributions they can receive. If a gift or contribution meets these conditions, the donor may be able to claim a deduction in their tax return.

Many DGRs have no gift conditions, but it is good to be aware of those that do.

### DGRs with ATO endorsement

Endorsed DGRs that have a gift condition are listed in the following table.

**Table: DGRs with gift conditions**

Endorsed DGR	Item number	Gift condition
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Public authority for research	1.1.4	A gift will be tax deductible only if it is donated to the public authority for research into the causes, prevention or cure of disease in human beings, animals or plants.
TAFE	2.1.7	<p>A gift will be tax deductible only if it is for either or both of the following:</p> <ul style="list-style-type: none"> <li>• purposes of the institution that have been declared by the Minister for Education to relate solely to tertiary education</li> <li>• the provision of facilities for the institution, if the minister has declared that they are satisfied the facilities are to be used principally for such purposes.</li> </ul>
Life education company	2.1.9	A gift will be tax deductible only if it is for the conduct of life education programs under the auspice of the Life Education Centre.
Approved research institute	3.1.1	A gift will be tax deductible only if it is for the purposes of scientific research in the field of natural or applied science.
Harm prevention charity	4.1.4	A gift will be tax deductible only if the

		gift is received by the gift fund of the harm prevention charity.
Australian disaster relief fund	4.1.5	<p>A gift will be tax deductible only if it is donated within 2 years, beginning on:</p> <ul style="list-style-type: none"> <li>the date specified in a Treasury minister's declaration of the disaster</li> <li>if a Treasury minister has not made a declaration, the date of the disaster or emergency specified in a declaration made by, or with the approval of, the state or territory minister, or the date of that declaration.</li> </ul>
The Commonwealth or a state	5.1.1	A gift will be tax deductible only if it is donated for the purposes of defence.
War memorial repair fund	5.1.3	A gift will be tax deductible only if it is donated within 2 years from the date of endorsement of the fund.
Environmental organisation	6.1.1	A gift will be tax deductible only if the gift is received by the gift fund of the environmental organisation.
Developing country relief fund or	9.1.1	If the gift is made to an institution or Australian

organisation		government agency (not a public fund), a gift will be tax deductible only if the gift is received by the gift fund of the developing country relief organisation.
Developed country disaster relief fund	9.1.2	A gift will be tax deductible only if it is donated within 2 years from the date of the disaster as specified in the Treasury minister's recognition.
Cultural organisation	12.1.1	A gift will be tax deductible only if the gift is received by the gift fund of the cultural organisation.
A government entity that has statutory responsibility for the coordination of volunteer fire brigades or State Emergency Services	12A.1.1	A gift will be tax deductible if it is for the purposes of supporting the coordination of volunteer fire brigades or State Emergency Services.

### **Example 1: gifts to an endorsed DGR that has gift conditions**

The fund for the reconstruction of the Denisville war memorial was endorsed as a DGR under the DGR category 'war memorial repair fund' on 5 July 2013. The gift condition for this DGR category states 'gifts must be made within 2 years from the date of endorsement'. Anne can claim a deduction for her gift to the fund as she made it between 5 July 2013 and 4 July 2015.

### **Example 2: gift to an endorsed DGR that has gift conditions**

Hirushi made a gift to a DGR that is an approved research institute for the purposes of scientific research in the field of natural science, so she could claim a tax deduction. If she had made a gift for use by the institute for some other purpose, she could not have claimed a deduction.

## DGRs listed by name

Some DGRs listed by name have gift conditions mentioned in the 'Special conditions' column of the *Income Tax Assessment Act 1997*. For example, the gift may only be tax deductible between certain dates or for a specific use.

QC 46261

## Conservation covenant tax concessions


You may be eligible to claim tax concessions for conservation covenants you enter over land you own.

**Last updated** 4 April 2023

## Conservation covenant concessions

You may be entitled to claim a tax deduction and concessional capital gains tax (CGT) treatment if you have entered into a conservation covenant over land you own, and certain conditions are met.

The conservation covenant must:

- restrict or prohibit certain activities on the land that could degrade the environmental value of the land
- be permanent and if possible be registered on the title to the land.
- be [approved by the Environment Minister](#) .

## Qualifying for a tax deduction

To qualify for an income tax deduction for entering a conservation covenant you must meet **all** the following conditions:

- You must not receive money, property or any [other material benefit](#).
- The covenant must be
  - over land that you own (leased property is not eligible)
  - entered on or after 1 July 2002
  - perpetual, that is, it is binding on you as the current landowner as well as all future owners of the lands
  - entered into with a deductible gift recipient (DGR); the Commonwealth, a State, a Territory or a local governing body; or an authority of the Commonwealth, a State or a Territory.
- The market value of your land must decrease as a result.
- The decrease in the market value of the land must be more than \$5,000 or you must have acquired the land not more than 12 months before entering the covenant.

## Other material benefit

You will receive a material benefit where:

- you seek a benefit
- there is a direct and substantial connection with entering the conservation covenant
- the benefit is material.

### Example – No material benefit

John enters a conservation covenant over his land with a State government authority.

John receives no money or property for entering the conservation covenant. John didn't enter the covenant to:

- meet any legal requirement
- prevent regulatory action, or



- obtain a commercial advantage.

John doesn't receive a material benefit for entering the conservation covenant.

If the benefit is very minor, it may not count as a material benefit.

#### **Example – Benefit received but not material**

Katie enters a conservation covenant over land she owns with a DGR. The land is worth \$1 million.

Katie doesn't receive any money or property for entering the covenant, but the DGR agrees to reimburse Katie up to \$500 for the legal costs she incurs for entering the covenant.

Katie receives some benefit for entering the covenant, being the reimbursement of legal costs. Although it is a benefit, it is regarded as minor in the circumstances and therefore not considered to be a material benefit for entering into the covenant.

If the benefit for entering a conservation covenant is material, you can't claim a tax deduction.

#### **Example – Material benefit received**

A mining company enters a conservation covenant over its land to satisfy conditions under State and Commonwealth environmental approvals to undertake a mining project.

Entering the conservation covenant allows the mining company to continue the mining project, with the intention to:

- make profit
- avoid environmental regulatory action and consequences (such as penalties) they would be exposed to under the legislation for granting the approvals.

The mining company can't claim a tax deduction because they receive a material benefit for entering the conservation covenant.

## Claiming a tax deduction

You claim an [eligible deduction](#) for a conservation covenant in the tax return for the year in which you entered the covenant.

The amount you can claim is the difference between:

- the market value of the land just before you entered the covenant
- its decreased market value just after that time, but only to the extent the decrease is attributable to entering the covenant.

You cannot use the deduction to add to or create a tax loss.

## Seeking a valuation

You must seek a valuation to determine the change in the market value of the land. You can phone us on **1300 130 248** for information about the valuation process.


To request a valuation from us, you need to:


- Lodge the Request for valuation – conservation covenant program form. The form will require you to declare you meet the conditions to qualify for a deduction. If you are unsure about whether you meet the conditions, you should seek advice from a tax professional or you can [apply for a private ruling](#).
- Pay a non-refundable application fee, which will be credited against the total fee for the valuation.

After we have received the form and application fee, we will advise you in writing of the estimated cost for the valuation.

When we have completed the valuation, we will provide you with a *Valuation certificate*.

## Spreading the tax deduction

You can elect to spread the tax deduction over a 5 year period by [apportioning your deduction](#) .

To arrange this, you must fill in the [Conservation covenant deductions apportionment election](#)  form available from the Department of the Environment, before lodging your tax return for the income year in which you entered into the covenant.

You must state on this form how much of the deduction you will claim in each year over a period up to 5 years.

The apportionment can be varied at any time before your tax return for the first income year to which the variation applies is lodged by completing another *Conservation covenant deductions apportionment election* form and sending it to the Department of the Environment.

A variation can only apply to the percentage to be deducted in income years for which a tax return has not been lodged.

### **Example – Spreading deduction**

On 25 November 2018, Ben enters into a conservation covenant and receives a deduction of \$5,000. The first income year in which he can claim a portion of the deduction is 2018–19.

Ben decides to spread the deduction for the conservation covenant over 3 income years in the following manner:

- 2018–19 he claims 50%
- 2019–20 he claims 25%
- 2020–21 he claims 25%
- 2021–22 he claims 0%
- 2022–23 he claims 0%

Because Ben has elected to spread the deduction over 3 years, he cannot claim the whole amount as an allowable deduction in 2018–19.

## **How to calculate your CGT**

### **Material benefit where no money or property received for entering the covenant**

If you receive a material benefit, but do not receive any money or property for entering the conservation covenant:

- you claim a capital loss for the incidental costs (such as legal fees) that relate to entering the covenant

- there are no CGT concessions available.

## **Where you claim a tax deduction or receive money or property for entering the covenant**

Calculate your capital gain by comparing your capital proceeds from entering the conservation covenant with a portion of the cost base of the entire land that is attributable to the covenant.

The CGT treatment when you enter a conservation covenant is comparable to landowners who sell part of their land.

Our [Guide to capital gains tax](#) explains this in more detail.

### **Cost base**

The conservation covenant affects the value of the entire land.

You must use the cost base of the entire land, even if the covenant's terms specifically state that the land use restrictions only apply to part of the land.

### **Part of cost base**

The relevant portion of the cost base, or reduced cost base, is calculated using this formula:

$$\text{Cost base of land} \times \text{Capital proceeds from entering the covenant} \div (\text{Capital proceeds from entering into the covenant} + \text{Market value of the land just after the covenant is entered into}).$$

### **Capital loss**

Calculate your capital loss by comparing your capital proceeds from entering the covenant, with the portion of the reduced cost base of the entire land that is attributable to the covenant.

### **Capital proceeds and tax deductions**

If you are entitled to an income tax deduction, the capital proceeds are equal to the amount you can claim as a tax deduction for entering the covenant.

## **CGT concessions**

Capital gains made from entering a conservation covenant may qualify for:

- **pre-CGT exemption**, if the land was acquired before 20 September 1985
- the **CGT discount**, for qualifying taxpayers if the land was owned for at least 12 months before the grant of the conservation covenant
- the **small business CGT concessions**, where the relevant criteria are met including that the land is an active asset.

#### **Example – small business CGT concession**

Wanja enters a conservation covenant with a DGR and doesn't receive any money, property or other material benefit. The covenant covers 25% of the land she owns. Wanja acquired the land on 17 May 1995 and uses it to run a farming business. For the purposes of the CGT small business concessions, the net value of Wanja's CGT assets is less than \$6 million and the land is an active asset.

Wanja uses the following figures to calculate the capital gain made from entering the covenant:

- Cost base of the entire land is \$900,000.
- Market value of the entire land before the covenant is \$1,600,000.
- Market value of the entire land after the covenant is \$1,200,000.

The deduction amount that can be claimed is:

- the market value of the entire land before the covenant of \$1,600,000
- less the Market value of the entire land after the covenant of \$1,200,000.

This equals the deduction of \$400,000.

The cost base of the covenant is calculated as:

- a deduction of \$400,000

- divided by the sum of the Deduction plus the Market value of the entire land after the covenant (\$400,000 + \$1,200,000) = \$1,600,000
- multiplied by Cost base of the entire land, which is \$900,000.

So, the cost base of the covenant \$225,000.

The net capital gain is calculated as:

- the capital gain (\$400,000 – \$225,000) of \$175,000
- less the 50% CGT discount of \$87,500
- less the 50% small business reduction of \$43,750.

So, the net capital gain is \$43,750

Wanja claims a deduction of \$400,000 and a capital gain of \$43,750.

QC 16456

## Claiming political contributions and gifts

Political parties are not DGRs. However, in some circumstances, gifts and contributions made by individuals to political parties and independent candidates may be tax deductible.

**Last updated** 25 July 2017

This information is for individuals who make gifts or contributions to political parties and politicians.

In some circumstances, your gifts and contributions to political parties and independent candidates and members may be claimed as income tax deductions.

**See also:**

- [Current register of political parties](#) 

## Who can claim?

Your political gifts or contributions need to be made in a personal capacity to be tax deductible.

Businesses cannot claim deductions for contributions and gifts to political parties, members and candidates including payments incurred in deriving assessable income.

## Recipients

The recipient must be one of the following:

- a political party registered under Commonwealth, state or territory legislation
- an independent member of the Commonwealth Parliament, a state parliament, the Legislative Assembly of the Northern Territory or the Legislative Assembly of the Australian Capital Territory
- an independent candidate for the Commonwealth Parliament, a state parliament, the Legislative Assembly of the Northern Territory or the Legislative Assembly of the Australian Capital Territory

## What can I claim?

Your contribution or gift must be \$2 or more and be either:

- money
- property that they purchased during the 12 months before making the contribution or gift.

You can't claim a deduction for contributions and gifts made under a will.

A deduction for a contribution or gift cannot add to or create a tax loss.

**See also:**

- [Political parties registered under the Commonwealth Electoral Act 1918](#) 

## Membership of registered political parties

If you pay a membership subscription to a registered political party, you can claim it as a tax deduction.

## **Giving to independent candidates and members**

If you make a contribution or gift to an independent candidate in an election you must make the contribution after the candidates for the election are officially declared or announced and before either:

- the candidate withdraws
- the election result is officially declared or announced.

If you make a contribution or gift to an independent member, the contribution or gift must be made during their term of office.

## **What is an independent candidate?**

An independent candidate is not endorsed by a political party registered under the *Commonwealth Electoral Act 1918* or under corresponding state or territory electoral legislation. The term includes an endorsed candidate of an unregistered political party.

An independent member is not a member of a political party that is registered under Part XI of the *Commonwealth Electoral Act 1918* or under corresponding state or territory legislation.

The term includes a member of an unregistered political party.

## **How much can I claim?**

You need to claim your tax deduction for a political contribution or gift in the income year you made the contribution or gift.

The most you can claim in an income year is:

- \$1,500 for contributions and gifts to political parties
- \$1,500 for contributions and gifts to independent candidates and members.

The amount of the deduction for a contribution or gift of property is either the market value of the property on the day the contribution or gift was made or the amount the individual paid for the property, whichever is less.



### **Example – Donating to political parties, independent members and candidates**

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During the 2014–15 income year, John contributes in his personal capacity \$500 and \$1,500 respectively to two registered political parties. He also gifts \$200, \$600 and \$1,100 respectively to two independent candidates and one independent member.

John may claim a tax deduction of \$3,000 in his 2014–15 tax return:

- \$1,500 for the \$2,000 contributed to political parties
- \$1,500 for the \$1,900 gifted to the independent candidates and the independent member.

QC 18157

## **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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