



Unlock DGR

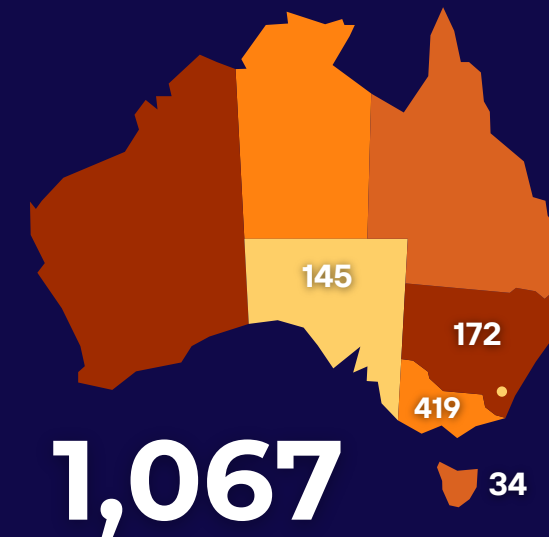
Jarrah Kelly, ANHCA
Clare Ozich, Campaign Manager
Geraldine Menere, Head of Non-for-Profit Law
Alice Husband, Lawyer

anhca.org | jarrah@anhca.org



Background on ANHCA

Australia's Largest
place-based social infrastructure



1,067

NCHCs in our national network



400,000

Australian's engage with NCHCs each week

Our Mission

We amplify the voice and impact of Australia's NCHC sector by driving policy influence, building sector capacity, and championing place-based approaches to create a stronger, more connected and resilient sector.

Our Vision

Together, we champion place-based community development, amplifying local voices and expertise to build a just, equitable, resilient and inclusive Australia.

Our Members

Community Centres
South Australia (CCSA)

communitycentressa.asn.au
info@communitycentressa.asn.au



Linkwest
Western Australia

linkwest.asn.au
office@linkwest.asn.au



Local Community Services
Association (LCSA, NSW)

lcsansw.org.au
admin@lcsansw.org.au



Neighbourhood Houses
Tasmania (NHT)

nht.org.au
nht@nht.org.au



Neighbourhood
Houses Victoria (NHVic)

nhvic.org.au
info@nhvic.org.au



Neighbourhood Centres
Queensland (NCQ)

ncq.org.au
info@ncq.org.au





National leadership,
coordination and advocacy for
the sector.

State
Peak
Bodies

- Neighbourhood Houses Victoria
- Neighbourhood Houses Tasmania
- Linkwest
- Community Centres South Australia
- Local Community Services Australia
- Neighbourhood Centres Queensland

Interact with NCHCs and communicate state-specific insights, issues, and opportunities.

Neighbourhood
Houses & Centres

1,069 NCHCs around Australia

Every week, more than **400,000**
Australians engage with NCHCs



What is Deductible Gift Recipient (DGR) status?

- Tax deductible donations
- Access to philanthropy

Less than half of Australia's registered charities have DGR status.





DGR vs Public Benevolent Institution (PBI)

Deductible Gift Recipient (DGR)

Status that lets an organisation or fund receive tax deductible gifts

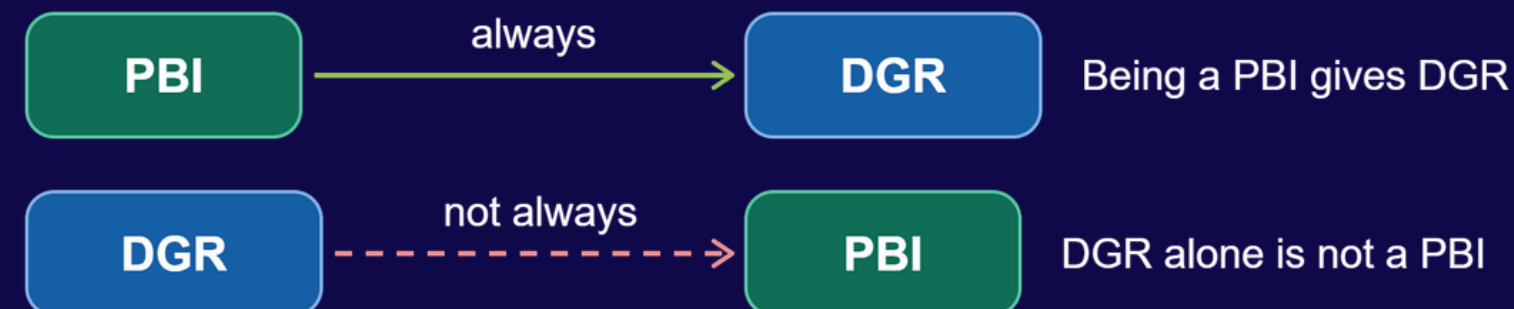
Public Benevolent Institution (PBI)

A charitable subtype and
a DGR category

Always qualifies for DGR

52 other DGR categories

Community sheds
Health promotion charities
School building funds
Cultural, environmental funds



PBI also unlocks FBT exemption, which DGR status alone does not.

Note: the ACNC determines PBI status, while the ATO determines most other DGR categories.



What is the problem?

The Productivity Commission has described the DGR system as not fit purpose and:
“poorly designed, overly complex and has no coherent policy rationale. This creates inefficient, inconsistent and unfair outcomes for charities, donors and the community.”

What is the problem?

- **Outdated and overcomplicated:** Confusing categories and complex rules that are hard to navigate.
- **Locking small charities out:** Most Australian charities are too small to afford the legal and administrative costs needed to access DGR status.
- **Too rigid for modern charities:** The system forces organisations to fit into narrow categories, disadvantaging those working across multiple causes or tackling complex community issues.
- **Out of step with today's values:** The system doesn't reflect modern causes or community expectations.
- **An ongoing burden:** The system's red tape and compliance requirements drain time and resources that could be better spent making an impact.



Neighbourhood Houses

Some Neighbourhood Houses have managed to get DGR but many have difficulty as they don't fit neatly into one of the existing DGR categories.

The most relevant DGR categories for neighbourhood houses are:

- the public benevolent institution (PBI) category and
- community shed category.

It is often the very diversity of programs that houses provide to meet the needs of their community that is the problem for accessing DGR. You do too much!

[Your neighbourhood house DGR questions answered](#)



What is the solution?

In applying these principles, a new DGR system would:

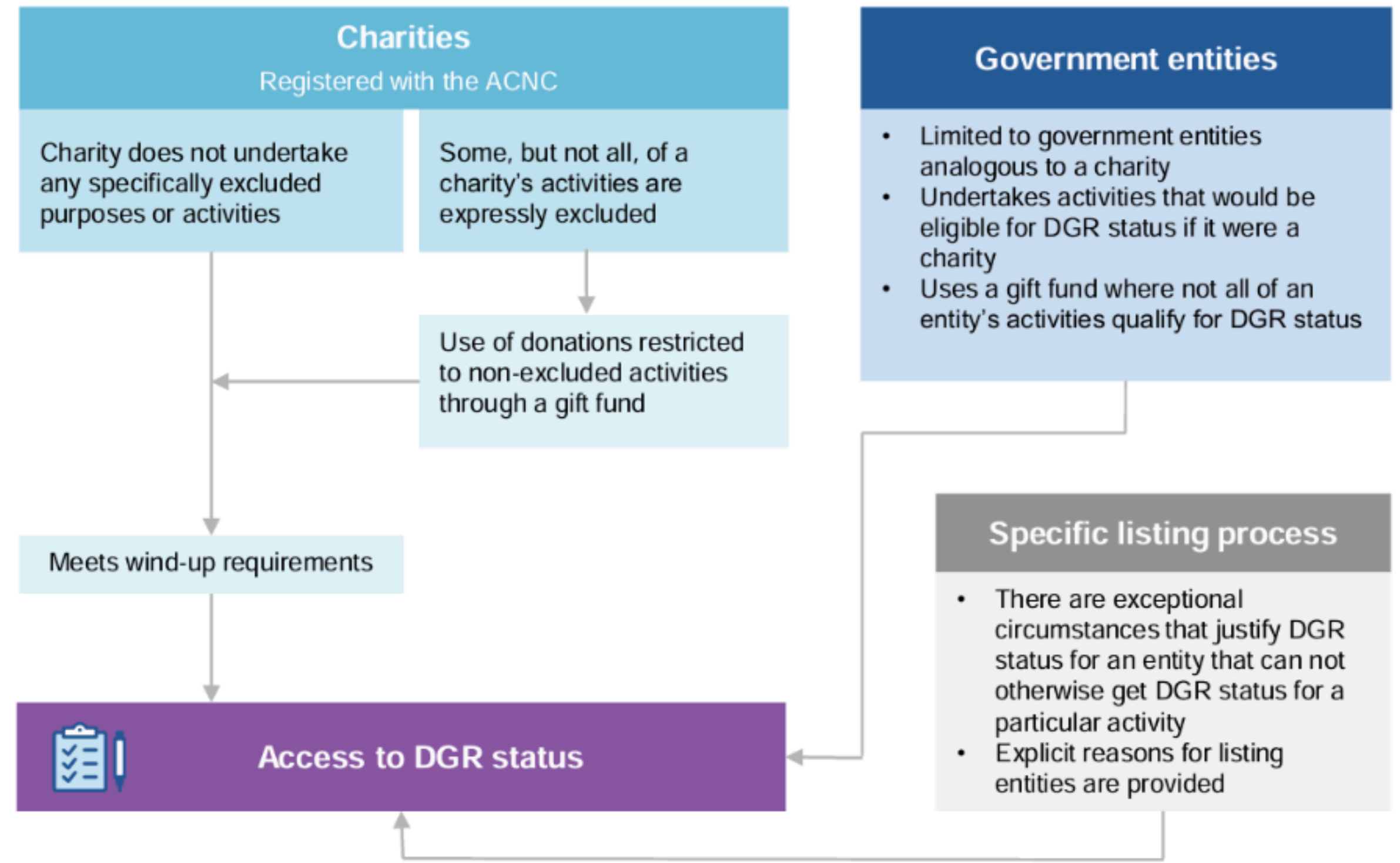
- extend eligibility for DGR status so most charities would be eligible,
- expressly exclude some classes of charitable activities.





What is the solution?

Figure 6.2 – The Commission’s proposed process for accessing DGR status





What are the benefits of reform?

Reforming the DGR system will unlock opportunity for Australia's vibrant and diverse charity sector by:

- Strengthening sector sustainability, helping charities access other sources of much needed funding.
- Unlocking philanthropy and new funding streams, supporting the Government's goal to double philanthropic giving by 2030.
- Reducing reliance on limited government funding, enabling community needs to be met through more diverse and flexible support.
- Enabling charities to create more impact in their communities through creative and innovative solutions.
- Cut red tape for both charities and regulators.





Where to from here?

Already have:

- the evidence base – Productivity Commission report
- broad sector support – Not-for-profit Sector Development Blueprint

Need to apply pressure to the government to act:

- Charities and supporters contacting local MPs and the Treasurer

A stronger voice.

Fairer access to funding.

Greater impact for communities.





Are you part of a charity without DGR status?

You can help us Unlock DGR

Stories are a powerful force for change. Your organisation's experience could help secure long-overdue reform of Australia's DGR system.

Your local Federal Member of Parliament (MP) may not realise that your charity's important community work is excluded from access to DGR status. This may be blocking your charity from receiving tax-deductible donations and limiting your access to critical funding from philanthropy and grant makers.

Hearing directly from organisations like yours helps MPs understand the real impact of the current system and builds vital support for change inside Parliament.





Why your voice matters

Show the real-world impact of an outdated DGR system

Many MPs aren't aware that many frontline, high-impact charities miss out on DGR status because of our outdated DGR system. Your story helps make the problem visible.

Help build political momentum

Reform is more likely when MPs hear consistent messages from organisations in their own communities. Every letter strengthens the case for change.

Demonstrate community need

Sharing how the current DGR system can limit your organisation's fundraising, service delivery or long-term planning helps MPs understand why this reform is urgent.

Unlock DGR with Justice Connect



Australian
Neighbourhood Houses
and Centres Association

Letter template

Dear [local MP],

I am writing to ask for your support for reforming the Deductible Gift Recipient (DGR) system so that charities like ours can access tax-deductible donations and critical funding from philanthropy and grant makers.

[Insert who you are and what you do for the community]

Like many community organisations, we are facing increased demand, rising costs, and funding uncertainty. These pressures make it harder to deliver the essential services and supports our community needs.

Reforming the DGR system is an urgent priority for us. Broadening access to DGR status would unlock new and sustainable funding streams, particularly philanthropic support, which would strengthen our ability to continue our work.

The Productivity Commission's Future Foundations for Giving Report highlighted a key barrier to enhancing and amplifying the work and impact of the charity sector: Australia's DGR system. It's outdated, overly complex, ineffective, and unfair. This reflects our own experience.

At a time when the work of community connection is more important than ever, the DGR system makes it difficult for charities focused on this work to access funding streams.

The Productivity Commission's Future Foundations for Giving report outlines a clear, evidence-based pathway to simplify the DGR system so that most charities are eligible for DGR endorsement. This is consistent with other nations such as the UK and Canada.

There is more than \$11 billion in philanthropic giving funds in Australia, but charities like ours are unable to access it under the current rules. In fact, around half of Australia's charities are locked out of DGR status and access to philanthropy.

We are supporting Justice Connect's Unlock DGR campaign to simplify the DGR system. Find out more about the campaign at justiceconnect.org.au/unlock-DGR.

We invite you to visit us and see firsthand the work we do in the local community and how DGR reform would help us better serve our community.

Kind regards,

[Your name and organisation]

1,000+ Houses and Centres.
One voice.

Unlock DGR with Justice Connect



Australian
Neighbourhood Houses
and Centres Association

HOW TO GET INVOLVED



Scan the QR code to register your interest and receive campaign updates, resources and opportunities to contact government.



0428 964 817



jarrah@anhca.org



justiceconnect.org.au/unlock-DGR



anhca.org/dgr-campaign