



Bruce Billson MP
House of Representatives
Parliament House
Canberra ACT 2600

Recognition of the Built Environment
as a category
for Deductible Gift Recipient status.

Dear Bill

Following our meeting late last year I wish to follow up with the attached additional submission.

The attached submission proposes that the Commonwealth seeks to have 'The Built Environment' included within the categories for Deductible Gift Recipient status under the ATO tax system.

This proposal, if successful, would be a very positive and tangible outcome to the Inquiry into Sustainable Cities 2025.

Please contact me if there is further information required to progress this. Thank you again for your encouragement to pursue this matter.

Yours sincerely

Paul Costigan
Executive Director
22 February 2004

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Inquiry into Sustainable Cities 2025
Additional submission

Recognition of the Built Environment as a category
for Deductible Gift Recipient status.

On behalf of the Australian Institute of landscape Architects, I wish to request that the Commonwealth Government includes the category for the 'Built Environment' amongst the categories against which organisations apply for Deductible Gift Recipient status.

This initiative is timely given the importance that is being placed on the link between the built environment (cities and public spaces) and the on-going health of our communities.

The proposed change within the Deductible Gift Recipient categories will open up opportunities for the corporate sector to support research and education activities related to future our Australia's built environments.

Please contact me directly if further information is required from this Institute or if there is an opportunity for a meeting between yourself, and/or your committee, and representatives from some of the other Building Design Professions.

Paul Costigan
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Australian Institute of Landscape Architects
22 February 2004

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The Built Environment

A sustainable built environment is a healthy environment for contemporary society and should assist to bring about the same for our children, their children and their children's children.

A healthy city is measured by the health of the community and the health of the environment that supports it.

Sustainable and healthy built environments are as much about building communities as it will be about steel, glass, bricks and transport systems.

It is essential that existing and new urban developments include well planned, designed and constructed spaces throughout the urban area.

These spaces need to be of varying sizes, provide for a broad range of social and community needs and be inspirational 'living' spaces for all members of the community.

It is also essential that the built environments of this millennium give full consideration to the health of the communities that use them.

A healthy environment that includes effective water management, clean air and biological diversity will also be the basis for a healthy population. Protection, reinforcement and rehabilitation of the natural systems will be integral to a healthy environment.

At the same time, newly constructed places will need to incorporate best practice environmental design that will further support the natural systems.

Liveable cities will provide equitable access to all the services that cities typically provide. Water, food, shelter and employment are the basics.

However, to build healthy communities, our built environments, be they villages, towns or cities, we must also provide for the social and psychological needs of the population.

Very often these needs are met by the public spaces where people meet, relax and interact. It is these spaces that are critical to the health of a community.

Not only must they be well planned within the urban framework, they must be skilfully designed to respond to the many demands placed on them.

(the above is based on the former submission to Sustainable Cities 2025)

The Present Categories for Deductible Gift Recipient status

As set out in the Tax office's guidelines for Deductible Gift Recipient status, an organisation wishing to be considered must come under one of the following categories as recognised by the Federal Treasurer and the applicable Commonwealth Department. (See appendix 1)

- health
- education
- research
- welfare and rights
- defence
- environment
- the family
- international affairs
- sports and recreation
- cultural organisations, and
- ancillary funds.

Under these arrangements, any organisation involved in research and/or promotion of improvements to 'The Built Environment' is unable to apply for status as a Deductible Gift Recipient for the purpose of receiving donations from most philanthropic sponsors.

The nearest two categories are:

Public fund on the Register of Cultural Organisations
(attachment 2)

Public fund on the Register of Environmental Organisations
(attachment 3)

In regards to the first, some building design professions such as those representing architects, engineers and landscape architects may be able to bring a case to be recognised under the "Cultural Organisations" category. However, this would not be a neat fit as the category is really set up to cover the arts sector.

In regards to the latter, "Environmental Organisations", the category is quite specific about how it applies to organisations involved with the 'natural environment'. While the afore-mentioned building design professions, particularly landscape architects, have a range of interests in the natural environment, the fact is that they are primarily involved in designing liveable and sustainable 'Built Environments'.

The Barrier to Attracting Sponsorship

All levels of government have now increased their attention to providing healthier and more sustainable living environments.

The business sector has a key role in assisting to address these issues. Leaders of the business community could be supporting the research and the promotion of issues relating to our future towns, cities and public spaces.

Under the present taxation arrangements for Deductible Gift Recipients, the categories are a barrier to donations from members of the corporate sector with an interest in the issues of the 'Built Environment'.

As a result of these barriers research foundations into the Built Environment are unable to offer the option of the tax benefit to philanthropic supporters and corporate sponsors who potentially may wish to be involved.

Proposals (options)

- 1 That within the categories for Deductible Gift Recipient status, a new category be established for The Built Environment.

Discussions would be required as to establishing the category under the relevant Commonwealth Department.

- 2 That either one of the two nearest categories (either Cultural or Environment) be extended to cover the 'Built Environment'; at present neither is a neat fit.

If this option were to be taken up, then discussions would have to occur with the relevant department to ensure comprehension of the field of The Built Environment within the department concerned.

Extracts from ATO guidelines on Deductible gift Recipients

<http://www.ato.gov.au/nonprofit/content.asp?doc=/content/18699.htm>

ATTACHMENT 1

Overview

To be endorsed as a deductible gift recipient (DGR), an organisation must fall within a general category of DGR.

The DGR table lists the general categories of DGRs (for example, public universities, school building funds and public benevolent institutions). It will help you work out:

- the requirements and conditions an organisation must satisfy to be endorsed as a DGR, and
- the types of tax deductible gifts particular DGRs can receive.

The table will refer you to other parts of this guide for more information.

The parts of the DGR table

DGR group

DGRs are sorted into the following groups:

- health
- education
- research
- welfare and rights
- defence
- environment
- the family
- international affairs
- sports and recreation
- cultural organisations, and
- ancillary funds.

DGR category

There are various DGR categories in each DGR group and a description is provided for each category. For an organisation to fall within a category, it must meet all the requirements of the description.

Gift condition

For some DGRs, the income tax law adds further conditions relating to the gifts they can receive. For example, gifts may only be tax deductible between certain dates or for a particular purpose. The table shows the gift conditions, if any, for each DGR category.

Extracts from ATO guidelines on Deductible gift Recipients

<http://www.ato.gov.au/nonprofit/content.asp?doc=/content/18699.htm>

ATTACHMENT 2

Public fund on the Register of Cultural Organisations

A public fund on the Register of Cultural Organisations is a public fund maintained by an organisation that is included on the Register of Cultural Organisations kept by the Department of Communications, Information Technology and the Arts (DCITA).

The Treasurer and the Minister for Communications, Information Technology and the Arts will decide whether to register the organisation and its public fund. This decision is not made by the Tax Office.

An organisation on the Register of Cultural Organisations must meet several requirements, including:

- it is a body corporate, or a trust, or an unincorporated body established for a public purpose by the Commonwealth, a state or a territory
- its principal purpose is the promotion of literature, music, a performing art, a visual art, a craft, design, film, video, television, radio, community arts, Aboriginal arts or movable cultural heritage
- it does not give any of its property, profits or financial surplus to its members, beneficiaries, controllers or owners
- it maintains a public fund to receive gifts ('public fund' is explained), and
- it agrees with DCITA that, if included on the Register, it will participate in periodic reviews of eligibility.

EXAMPLES

Cultural activities undertaken as the principal purpose of an organisation on the Register include:

- a new theatrical work
- the publication of a literary magazine, and
- the building of a community arts centre.

If your organisation is a public fund on the Register of Cultural Organisations, go back to the [table](#) to check that it also meets the other relevant requirements.

If your organisation is not a public fund on the Register of Cultural Organisations, go back to the [DGR table](#) to check whether it falls within a different DGR category.

Extracts from ATO guidelines on Deductible gift Recipients

<http://www.ato.gov.au/nonprofit/content.asp?doc=/content/18699.htm>

ATTACHMENT3

Public fund on the Register of Environmental Organisations

A public fund on the Register of Environmental Organisations is a public fund maintained by an organisation that is on the Register of Environmental Organisations kept by the Department of the Environment and Heritage (also known as Environment Australia).

The Treasurer and the Minister for the Environment and Heritage will decide whether to register the organisation and its public fund. This decision is not made by the Tax Office.

If an organisation wants to be entered on the Register of Environmental Organisations, it must meet several requirements, including:

- it is a body corporate, a cooperative society, or a trust, or an unincorporated body established for a public purpose by the Commonwealth, a state or a territory;
- its principal purpose is
 - the protection and enhancement of the natural environment or a significant aspect of it, or
 - the provision of information or education, or the carrying on of research, about the natural environment or a significant aspect of it,
- it does not give any of its property or profits to its members, beneficiaries, controllers or owners, and
- it maintains a public fund to receive gifts ('[public fund](#)' is explained).

If your organisation is a public fund on the Register of Environmental Organisations, go back to the [table](#) to check that it also meets the other relevant requirements.

If your organisation is not a public fund on the Register of Environmental Organisations, go back to the [DGR table](#) to check whether it falls within a different DGR category.