

ANZSN IS CONSIDERING CHARITABLE AND DEDUCTIBLE GIFT RECIPIENT (DGR) STATUS AS A 'HEALTH PROMOTION CHARITY'



WHY THE CHANGE?

ANZSN has considered obtaining charitable status for many years. This transition offers several benefits, including the ability to accept tax deductible donations. The additional advantages include:

- Ability to provide a tax-deductible receipt for those wanting to donate to ANZSN for any purpose;
- Access to new income streams through donations and grants including from Public and Private Ancillary Funds (i.e. Foundations) that can only give to DGRs;
- Income tax exemption for ANZSN and salary packaging benefits for staff through fringe benefits tax exemption;
- Alignment with many other medical societies, including RACP, RSA, and TSANZ, who already hold charitable status and DGR endorsement as 'health promotion charities'.

A notable example of the benefit of this change is the Jacquot Awards, originally intended as a generous donation to ANZSN from a private family. However, due to ANZSN's lack of deductible gift recipient (DGR) status at the time, the funds were instead directed to and administered by the RACP. With the proposed changes, ANZSN would be able to directly accept and manage similar philanthropic donations in the future.

WHAT PROCESSES HAVE BEEN UNDERTAKEN SO FAR?

In 2024, Council approved the formation of the Charitable Status Working Group, chaired by the ANZSN Honorary Executive Officer, including:

- President-Elect
- Honorary Treasurer
- Non-member councillor
- Young ANZSN representative
- Consumer member with charitable and governance experience
- Members with government and regulatory backgrounds
- Representative from TSANZ, who recently completed a similar transition

The group has assessed the pros and cons, sought legal advice, and recommended that the transition would be highly beneficial. Council has endorsed this recommendation. To ensure members are fully informed, a comprehensive communication and consultation process is currently underway.

The final approval will occur at the 60th AGM on Monday 1 September 2025 when members vote on the motion.

WHAT WILL ANZSN APPLY FOR?

ANZSN will apply for both:

- Charitable status, with charitable sub-type ‘health promotion charity’, with the Australian Charities and Not-for-profits Commission (ACNC), and
- Deductible Gift Recipient (DGR) endorsement and other tax concessions, as a ‘health promotion charity’, with the Australian Taxation Office (ATO)

WHAT IS THE DIFFERENCE BETWEEN AN ORGANISATION WITH CHARITABLE & DGR STATUS VS. NOT-FOR-PROFIT STATUS?

- An organisation with Charitable Status must have a recognised charitable purpose (e.g. a ‘health promotion charity’ advancing kidney health in this case) and be eligible for income tax concessions and DGR status.
- A Not-for-profit (NFP) organisation reinvests income into operations but may not qualify for full tax concessions nor be registered as a charity (e.g. a sporting club).
- All charities must be NFPs but not all NFPs are charities (because not all NFPs have a recognised charitable purpose, e.g. sporting clubs).
- A ‘health promotion charity’ is a unique type of charity that is one of the few charitable sub-types that is eligible for DGR endorsement.

- A ‘health promotion charity’ is an ‘institution whose principal activity is to promote the prevention or the control of diseases in human beings’.
- ANZSN is applying to be registered as a ‘health promotion charity’ on the basis that it promotes kidney health and the prevention and control of kidney disease in humans.

WHAT NEEDS TO BE DONE TO MAKE THIS CHANGE?

To transition to charitable status with endorsement as a DGR ANZSN must:

- Amend the constitution to meet charitable law and DGR requirements on winding up and DGR revocation;
- Amend the Purpose clause so that it aligns with the definition of a ‘health promotion charity’;
- Finalise legal advice and documentation, including an Activities Schedule, to demonstrate health promotion charity activities for public benefit (not private members’ benefits) are ANZSN’s principal purpose;
- Apply to the ACNC to register as a ‘health promotion charity’; and
- Apply to the ATO for DGR endorsement;
- Notify ASIC of changes to the Constitution (once a registered charity, ANZSN will no longer need to notify ASIC of such changes but will notify the ACNC instead); and
- Update internal policies to comply with ACNC governance standards and ACNC external conduct standards for charities operating overseas.

Once registered, ANZSN will need to meet ongoing obligations, including annual reporting to the ACNC.

WHAT WILL THE CHANGES MEAN FOR ME?

As a member, you will notice very little change in your day-to-day interaction with the Society. In the future, ANZSN hopes to grow and improve membership benefits from additional income sources and its ongoing commitment to the prevention and treatment of kidney disease through education, research and advocacy.

CAN MEMBERSHIP FEES BE CONSIDERED A DONATION?

Membership fees paid to an organisation, even if ANZSN obtains Charitable and DGR status, are not tax-deductible because membership benefits are received in return, such as access to resources or discounted events. However, members may be able to claim this as a cost of business. It's advised you check with your tax advisor.

WHAT CHANGES TO THE CONSTITUTION ARE REQUIRED?

To qualify as a 'health promotion charity', ANZSN's Constitution must be updated to:

- Clearly define the Society's charitable purposes
- Confirm its Not-for-profit nature
- Clarify the role of directors/Councillors
- Align with ACNC governance standards

- Include a dissolution and DGR revocation clause to ensure that assets are distributed to another charity if ANZSN winds up or its DGR endorsement is revoked.
- For ANZSN, most changes will occur in the 'Objectives' and 'Winding Up' sections of the Constitution. Legal advisors from Russell Kennedy have outlined the required modifications and the process involved.
- A detailed summary of changes and a marked-up version of the Constitution is available [here](#).

WILL THIS CHANGE HOW ANZSN IS GOVERNED?

No fundamental changes to governance are planned. The Society's governance and policies will be strengthened ensuring we operate exclusively for our charitable purpose as per the governance requirements of the ACNC and ATO.

ARE THERE ANY RISKS OR DOWNSIDES?

The main considerations are:

- Compliance obligations (annual reporting to ACNC, maintaining charitable purpose)
- Restrictions on using income for non-charitable purposes
- A small administrative burden during the transition

The ANZSN Council and Office are reviewing policies with appropriate legal support to strengthen our governance.

DOES THIS CHANGE AFFECT AOTEAROA NEW ZEALAND RESIDENTS?

ANZSN is an Australian-registered organisation and therefore governed by Australian taxation law. Aotearoa New Zealand residents can make a donation, but a tax-deductible receipt cannot be issued.

WHAT'S NEXT?

As a member of ANZSN, you are being consulted, asked to provide feedback either in writing or during an upcoming webinar (in July - August 2025). You will be asked to vote to support or oppose the motion in the upcoming AGM in September 2025.

Changes to the Constitution must be passed by a 'special resolution' which means the resolution is passed by at least 75% of votes. This includes votes received from the members who attend and vote at the meeting, as well as those who attend and vote by proxy.

If 75% of members vote in favour of the changes to the Constitution at the 2025 AGM, ANZSN will:

- Submit an application to the ACNC to register as a charity
- Apply to the ATO for DGR endorsement
- Finalise changes to governance documents and policies
- Begin implementation and compliance with charitable reporting standards

TIMEFRAME

Once approved, a timeframe of 4-6 months is anticipated to complete the ACNC application process, finalise any changes required to ANZSN governance and policies prior to the formal change.

WHERE CAN I FIND MORE INFORMATION?

Further updates will be provided via the ANZSN newsletter and information will be available on the ANZSN website. A webinar is being organised to take place on 19 August to answer member queries.

You can also contact the [ANZSN Office](#) anytime if you have any questions or feedback.

