



 Print whole section

Running Australian disaster relief funds

Information about the deductible gift recipient category Australian disaster relief fund (ADRF).

Last updated 29 July 2020

You may want to help victims of disasters through raising money to provide assistance.

This page will help you if you are interested in setting up and administering a fund for the strict purpose of providing assistance after a disaster.

Next step

- Qualify as an ADRF: Australian disaster relief funds and tax deductible gifts

About ADRFs

Information on defining a disaster, spending donated funds, donor tax deductions and making payments from the fund.

Setting up an ADRF

The importance of separate ADRFs for each disaster and the option of working with an existing DGR.

Fund uses

An overview and details of how your fund can use money, along with information on what is excluded.

Information for PBIs

The effect of being a public benevolent institution (PBI).

Winding up an ADRF

Planning to wind up your Australian disaster relief fund (ADRF), including timeframes and sample wind up clauses.

QC 47614

About ADRFs

Information on defining a disaster, spending donated funds, donor tax deductions and making payments from the fund.

Last updated 29 July 2020

Public funds are either:

- funds established and controlled by government or government authorities
- funds where the public is invited to contribute and does contribute.

An Australian disaster relief fund (ADRF) is a public fund that is established and maintained solely for providing money to help people in Australia in distress as a result of a disaster (including relief by way of assistance to re-establish a community).

See also

- [Public funds](#)

- Public Benevolent Institution
- Information about the ACNC, including how to register as a charity: refer to acnc.gov.au or phone **13 22 62 (13 ACNC)**.
- Apply for DGR endorsement
- Australian disaster relief funds and tax deductible gifts

Defining a disaster

The disaster must either:

- be declared to be a disaster by a federal treasury minister
- be declared to be a disaster by, or with the approval of, a state/territory minister under a law of the state/territory
- give rise to a declaration of a state of emergency by, or with the approval of, a state/territory minister under a law of the state/territory.

The declaration of the disaster or declaration of the state of emergency will have been made on the basis that the disaster has both:

- developed rapidly
- resulted in the death, serious injury or other physical suffering of a large number of people, or in widespread damage to property or the environment.

Not all disasters reported in the media qualify for ADRF purposes. An ADRF can only provide for the relief of people in distress as a result of disasters that meet the ADRF requirements. We maintain a list of disasters that meet the requirements.

See also

- Characteristics of a disaster
- List of disasters

Spending donated funds

There is no specific period by which donated funds should be spent, provided the funds continue to be applied to relieve people in distress

as a result of the disaster for which the fund was endorsed.

Advice for your donors regarding tax deductions

Donors to your ADRF may claim a tax deduction for a gift if you are endorsed by us as a deductible gift recipient (DGR). However, the gift must be made within two years from either:

- the date specified in a treasury minister's declaration of disaster
- the date of the disaster or emergency specified in a declaration made by the state or territory minister, or the date of that declaration.

Making payments from the fund

You must make a reasonable assessment that the people who benefit from payments are in distress as a result of the disaster and require relief.

A reasonable assessment may include consideration of a person's:

- access to amenities
- loss of home or possessions
- damage to home or possessions
- reliance on other sources of assistance including insurance and compensation.

Funds that provide money to organisations to deliver disaster relief, including businesses, should keep good records of who the money was provided to and for what purpose.

QC 47614

Setting up an ADRF

The importance of separate ADRFs for each disaster and the option of working with an existing DGR.

Nature of the fund

An ADRF provides money for the relief of people in Australia in distress as a result of a disaster. This requirement must apply to the fund's actual distributions and be reflected in the fund's constituent or governing document.

Such relief can cover a broad range of activities. These will vary with the nature of the disaster and the types of distress being suffered – for common examples of relief, as well as what is excluded, see [Types of relief](#).

Separate ADRFs for each disaster

A separate ADRF is normally required for each disaster. However, where several disaster declarations are made covering an ongoing event such as a flood or widespread bushfires, you can set up one ADRF to help victims of one or more declared disasters. The rules of your fund should mention the relevant declarations.

Fund rules

The rules of your fund must satisfy the public fund requirements and show the fund is established solely for providing money for the relief of people in Australia in distress as a result of a declared disaster. This includes relief by way of assistance to re-establish a community.

The following considerations will help you clarify the fund's aims and strategies:

- who the fund is intended to help
- why these people need help
- what help the fund provides to these people
- how these people are selected.

We also recommend:

- The name of your fund includes the particular disaster event.

- The rules mention the final date for receipt of tax-deductible gifts.

To be endorsed as a deductible gift recipient (DGR), you must also have acceptable rules dealing with the transfer of surplus assets on winding up the fund or on revocation of endorsement.

If your fund is established as part of a charity or an Australian government agency and that organisation is not itself a DGR, it must maintain a gift fund for gifts and deductible contributions made to the ADRF.

If you intend to set up the fund so that it is a registered charity, your rules will also need to meet the ACNC's requirements. In particular, the rules must clearly set out your fund's charitable purpose.

Working with an existing DGR

Setting up an ADRF is one option to assist disaster affected people in Australia. You could also consider partnering with an existing DGR that conducts disaster relief activities. Partnering with an existing DGR provides the benefit that it is already established to receive donations and provide funds and assistance.

You could contact:

- existing ADRFs already set up for a particular disaster
- necessitous circumstances funds assisting people in financial distress
- public benevolent institutions providing disaster assistance including counselling.

See also

- [Gift funds](#)
- [Public funds](#)

QC 47614

Fund uses

An overview and details of how your fund can use money, along with information on what is excluded.

Last updated 29 July 2020

Immediate relief

The kinds of immediate relief your ADRF can provide include providing money to:

- relief organisations for immediate food, water, clothing, shelter and temporary accommodation such as at a hotel or in demountable buildings
- individuals to enable them to secure these things for themselves where they do not have their own resources.

Providing money for long term relief

You may be able to provide money for long term relief, however you will need to assess whether a request for assistance relates to disaster relief or to some other ongoing need.

ADRFs will usually exhaust their funds on shorter term assistance. However, some disasters may result in the need for help longer term. Examples include:

- providing money to disaster affected people still in temporary demountable housing following a summer disaster for additional assistance arising from the onset of winter
- providing money to a charity to help people with serious injuries or children orphaned as a result of a disaster.

Proposals covering such longer term assistance should be discussed with us.

Qualified recipients of relief

You can provide relief to Australians who are affected by an approved disaster.

This includes people with insurance, as well as those who may have received help from other organisations. However, there are some things you might want to consider.

Recipients of relief with insurance

Subsequent to a disaster, repair and replacement costs may be higher than anticipated and many victims with insurance may still need relief. Therefore, you are still able to provide assistance regardless of whether they are insured.

Recipients who have received assistance from other organisations

Assistance provided by other organisations must be considered in assessing an individual's need of relief. For example, if another organisation has announced it is providing temporary accommodation for all disaster victims, an individual may not need such assistance from your fund.

Fund uses in detail

Grief counselling

Funding for grief or other counselling services is an acceptable use of ADRF money to relieve distress as a result of the disaster. It is possible the immediate family of disaster victims, even if they are not in the affected area, may also have suffered distress and need counselling.

Giving assistance to businesses

Depending on the circumstances, a fund may consider assistance to businesses as a means of relieving distress by re-establishing a community. Any assistance to business must have a charitable purpose.

Providing grants to primary producers for damaged infrastructure

Where fences border public land (such as public roads and verges) it may be a matter of public safety and community welfare to replace or repair the fences quickly. In this case an ADRF might fund urgent repair or replacement of such fencing.

Community building events

You can provide money for local social events and award presentations to assist in relieving distress resulting from a disaster.

Transport or store donated goods

You can use funds to arrange transport or storage of donated goods.

Helping community organisations rebuild after a disaster

Acceptable repair and reconstruction may include:

- rebuilding community buildings such as aged persons homes, halls, churches and schools damaged by a flood
- replacing disaster damaged equipment used by charities or for the charitable purposes of community organisations.

Preventing further danger from the disaster

Such relief could include:

- building retaining structures to prevent landslides following the loss of vegetation
- securing structures to limit damage if aftershocks follow an earthquake
- preventing the spread of disease after a flood
- fire-proofing or back burning to prevent further outbreaks in the disaster area.

Rehabilitation of public gardens or reserves

Where public open spaces have been destroyed in a disaster and this is causing distress to the community, your ADRF may help the community to re-establish such spaces. However, the funding of extensive remodelling, improvements, expansions or commercial elements is usually not appropriate.

Providing money for a commemorative memorial

Providing funding for a memorial to commemorate the disaster or victims of the disaster.

Funding education and disaster training

In the aftermath of a disaster, educating the community about reducing the impact or training on how to respond in a disaster is consistent with relieving people's distress. However, your ADRF should only fund such activities in the short to medium term and should not fund such activities outside the disaster area.

Funding the removal of debris and the stabilisation of the environment

This will be considered having a charitable purpose where:

- the removal of hazardous trees or other objects is well beyond the capacity of the responsible government to handle promptly
- a hazard on private land may also create distress in the community and it needs to be removed
- there is an immediate danger to the community.

Fund exclusions

Generally, ADRFs would not be used for the following activities.

Repairing damaged government infrastructure

Infrastructure such as public roads and railways is usually a government responsibility and as such funding their repair may not be an application of funds for a charitable purpose.

Replacing basic tools of trade

The immediate focus of ADRFs will usually be the domestic needs of individuals, so it is unlikely your fund will provide money to individuals for the emergency replacement of tools of trade damaged in the disaster. However, you may be able to in certain circumstances. You should seek our advice if you are unsure.

The care of animals

However, helping owners meet responsibilities for animals may be an appropriate use of ADRF resources.

Providing assistance to volunteers

However, recognition of volunteers through awards designed to recognise heroic or meritorious acts may be an acceptable application of ADRF money. There may be circumstances where a payment to relieve financial distress of a volunteer may be consistent with the purposes of an ADRF.

Developing disaster evacuation plans

Most places where disaster evacuation plans are appropriate have a duty of care to provide them.

Funding economic impact studies, business development planning or similar activities

Funding can be provided to studies and reports relating to economic impacts, prepare business development plans to assist in the re-building of the community.

Providing funds to sporting organisations to replace equipment damaged in a disaster

However, it is recognised that the provision, repair or replacement of community recreational or sporting facilities that are open to everyone may be consistent with charitable purposes. Also, a charitable ADRF may support charities where the encouragement of sport is wholly integrated with their charitable purpose. For example:

- clubs wholly integrated in a school or university and furthering the organisation's educational aims
- clubs that primarily use a game or sport to help rehabilitate the sick or relieve disability.

Helping employees of a particular employer

Whilst the benefits of the fund need not be available to everyone in a community, they must be available for an appreciable section of them. An ADRF that has been set up solely to help employees of a particular employer may have difficulty meeting the public benefit requirement.

See also

- Animal welfare charity
- You should seek our advice on **1300 130 248** if considering providing money for purposes you are not sure constitute a

charitable purpose.

- [Public benefit ↗](#)
- DGR Category - Necessitous circumstances fund

QC 47614

Information for PBIs

The effect of being a public benevolent institution (PBI).

Last updated 4 October 2024

A public benevolent institution (PBI) is a type of charity which is organised, conducted or promoted for the relief of poverty, sickness, destitution, helplessness, suffering, misfortune, disability or distress.

Examples of PBIs that provide disaster relief services include:

- non-government emergency services
- non-government search and rescue teams
- those whose relief of poverty and homelessness extend to disaster relief.

For more information, see [Is your organisation a public benevolent institution?](#)

Disaster relief through a PBI

If your PBI is already endorsed as a DGR, you do not need to establish an ADRF to collect tax deductible donations.

Otherwise, if your PBI wants to support community reconstruction efforts, you may choose to set up an ADRF to collect donations to provide money to other charities to fund their disaster relief activity. This may include acceptable community reconstruction efforts.

PBI constraints

If you choose to operate an ADRF as part of your PBI, any ADRF activity should be consistent with your PBI purposes.

QC 47614

Winding up an ADRF

Planning to wind up your Australian disaster relief fund (ADRF), including timeframes and sample wind up clauses.

Last updated 29 July 2020

Fund timeframes

Due to the nature of disaster relief, ADRFs can only receive tax deductible donations for a two year period. The donation must be made within two years from either the day:

- the event occurred if specified in the declaration
- of the declaration.

This does not stop you from providing assistance and relief after the two years. There is no specific period by which donated funds should be spent, provided the funds continue to be applied to relieve people in distress as a result of the disaster for which the fund was endorsed.

Winding Up

ADRFs generally continue to operate to the extent that funds remain and they meet their purpose.

Before winding up your fund, you should consider if you can use residual funds to relieve any remaining distress.

ADRFs that are unable to further distribute surplus funds are required to wind up in accordance with their governing rules which will include transferring assets to an appropriate DGR.

Winding up clause

Example of an acceptable winding up clause for an ADRF is:

In the event of the fund being wound up, any surplus assets remaining after the payment of the fund's liabilities shall be transferred to another deductible gift recipient that is an ADRF established for the relief of people resulting from (insert relevant disaster) or, if such a fund does not exist, a fund or organisation with similar objects, to which income tax deductible gifts can be made.

The winding up clause can be tailored with alternative words but must prevent any surplus assets being directed to:

- the administrators of the fund or their associates
- non-charitable purposes.

See also

- Can you be endorsed as a DGR?
- Helping in a disaster
- Australian disaster relief funds and tax deductible gifts

QC 47614

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.

Copyright notice

© Australian Taxation Office for the Commonwealth of Australia

You are free to copy, adapt, modify, transmit and distribute this material as you wish (but not in any way that suggests the ATO or the Commonwealth endorses you or any of your services or products).