



Headstone Project – deductible gift recipient status	
Party:	The Coalition
Summary of proposal: The proposal would grant deductible gift recipient (DGR) status to the Headstone Project South Australia. The proposal is ongoing and would start on 1 July 2025.	

## Costing overview

The proposal would be expected to have minimal negative impact on the fiscal and underlying cash balances over the 2025-26 Budget forward estimates period (see Table 1). This impact reflects a slight decrease in taxation revenue.

The proposal would have a minimal financial impact because estimated tax deductions, claimed for donations to this charity, are negligible.

The proposal would be expected to have minimal impact beyond the 2025-26 Budget forward estimates period. A breakdown of the financial implications (including separate public debt interest (PDI) tables) over the period to 2035-36 is provided at Attachment A.

**Table 1: Headstone Project – deductible gift recipient status – Financial implications (\$m)<sup>(a)(b)</sup>**

	2025-26	2026-27	2027-28	2028-29	Total to 2028-29
Fiscal balance	-	..	..	..	..
Underlying cash balance	-	..	..	..	..

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.

(b) PDI impacts are not included in the totals.

.. Not zero but rounded to zero.

- Indicates nil.

## Key assumptions

The Parliamentary Budget Office (PBO) has made the following assumptions in costing this proposal.

- There would be a 10% increase in donations received by the Headstone Project South Australia in 2025-26 due to receiving DGR status.
- The following assumptions are based on the Productivity Commission's *Future foundations for giving* inquiry report from 2024:
  - 39% of donors would claim a personal income tax deduction.
  - The average marginal tax rate for donors is 32%.

- Around 95% of personal income tax deductions would be claimed in the financial year after they are accrued, and 5% in the second year after.
- Donations received would increase by CPI.

## Methodology

The Headstone Project's annual donations over the medium term were estimated based on donations received over the past 3 financial years.

- Tax revenue foregone was then calculated by multiplying estimated annual donations by the average marginal tax rate and the proportion of donors who would claim a tax deduction, as outlined in *Key assumptions*.

Financial implications were rounded consistent with the PBO's rounding rules.<sup>1</sup>

## Data sources

Commonwealth of Australia (2025) *Pre-election Economic and Fiscal Outlook 2025*, Commonwealth of Australia.

Productivity Commission (2024) [Future foundations for giving](#), Inquiry report, Commonwealth of Australia.

Australian Charities and Not-for-profits Commission (ACNC) (2025) *The Headstone Project South Australia Incorporated – Annual Information Statements from 2021-22 to 2023-24*

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<sup>1</sup> <https://www.pbo.gov.au/for-parliamentarians/how-we-analyse/pbo-rounding-rules>

## Attachment A – Headstone Project – deductible gift recipient status – Financial implications

**Table A1: Headstone Project – deductible gift recipient status – Fiscal and underlying cash balances (\$m)<sup>(a)(b)</sup>**

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
<b>Revenue</b>													
<b>Tax revenue</b>													
<i>Tax revenue</i>	-	..	..	..	..	..	..	..	..	..	..	..	..
<b>Total (excluding PDI)</b>	-	..	..	..	..	..	..	..	..	..	..	..	..

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

(b) This costing includes an unquantifiable aspect.

.. Not zero but rounded to zero.

- Indicates nil.

**Table A2: Headstone Project – deductible gift recipient status – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances (\$m)<sup>(a)(b)</sup>**

	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	Total to 2028-29	Total to 2035-36
<b>Fiscal balance</b>	-	..	..	..	..	..	..	..	..	..	..	..	..
<b>Underlying cash balance</b>	-	..	..	..	..	..	..	..	..	..	..	..	..

(a) As this table is presented as a memorandum item, these figures are not reflected in the totals above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary<sup>2</sup>.

(b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

.. Not zero but rounded to zero.

- Indicates nil.

<sup>2</sup> [Online budget glossary – Parliamentary Budget Office \(pbo.gov.au\)](https://pbo.gov.au)