



**Aviation Historical Society of  
Australia Inc. Queensland Section**  
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Jane Schwager  
Chair, Charities Definition Working Group  
Board of Taxation  
c/o the Treasury  
Langton Crescent  
PARKES ACT 2600

29.09.03

Dear Ms Schwager

**CONSULTATION ON THE DEFINITION OF A CHARITY.**

I am replying to your letter of 5 August 2003, following my earlier submission made to your office on 30.12.2000. I confirm I have studied the Charities Bill 2003 and the document of guidance attached to your letter.

I have chosen to make this comment on definition of a charity in my current capacity as Chairman of AHSA (Qld), it being the parent body of Queensland Air Museum Inc which AHSA (Qld) created as its preservation arm in 1974. My comments are therefore made as both President/ Chairman of AHSA (Qld) and as founding President of Queensland Air Museum, also as Coordinator of Aerospace Heritage Queensland ( a body formed in 2000 as umbrella group of Queensland aviation museums established under the auspices of the Queensland State Government. I am also a Registered Lead Auditor of Quality Management systems under the International Register of Certificated Auditors (although now in retirement).

A copy of this reply will be forwarded to current officers of Queensland Air Museum and to the Queensland Minister for State Development.

**1. Name and contact details of organisation**

**(a) Aviation Historical Society of Australia (Queensland section)**

Richard Hitchens: Chairman  
2 Idola Street  
Shailer Park Qld 4128  
Phone (07) 3388 3900  
Fax (07) 3388 3762

**(b) Queensland Air Museum**

Cliff Robinson: President  
GPO Box 2315  
Brisbane Q 4001.  
Phone (07) 3355 9715

2. Dominant (main) purpose of charitable organisation

(a) AHSA (Qld)

The recording, research, preservation and publication of aviation history, primarily that relating to Australia

Establishment of aviation libraries for research by members of the public interested in aviation history and technology.

(b) Queensland Air Museum

The collection, restoration, preservation and display of aircraft, aircraft engines, memorabilia and artifacts illustrating the development of aviation and the contribution made by Australians to the international scene.

The collection, preservation and display of photographs, documents relating to aviation development and events.

Provision of educational material and information to schools. This includes the provision of lectures as requested.

Cooperation with other aviation heritage bodies to assist the preservation of aviation heritage in a national context.

Establishment of aviation library, in conjunction with the Aviation Historical Society of Australia (Qld), as a resource for research by all persons interested in aviation history and technology, irrespective of their affiliation..

The collection of funds for financial support of other worthy not - for profit bodies, such as the Royal Flying Doctor Service.

Encouraging Federal and State governments to support aviation heritage initiatives for the benefit of current and future generations.

3 Principal reason for making a submission on the workability of the Charities Bill 2003.

a) Providing guidance to Federal Government on policies which will benefit the efforts of genuine not for profit, altruistic bodies in their task of preserving aviation heritage for present and future generations, eg., through Taxation Incentives for the Arts programme.

b) Highlighting the need for on-going confirmation that an organisation once given its official charitable status, does in fact continue to comply with its stated objectives, through adequate systems and maintenance of genuine democratic processes. e.g through a system of accreditation which is subject to regular internal and possibly external review.

4 Is the organisation endorsed with ATO as Income Tax Exempt Charity?

(a) Aviation Historical Society of Australia (Qld)

AHSA (Qld) does not have Tax Deductibility - It probably should aim for this, as at the moment anyone providing material for public displays or for educational purposes is unable to make a claim for their donations.

(b) Queensland Air Museum

QAM is an Income exempt charity and is Tax Deductible . As a genuine Incorporated not - for - profit organisation with ample evidence and a need to encourage contributions from private individuals and companies to maintain and develop the museum, I see no difficulty in maintaining its endorsement on the basis of the Charities Bill 2003. It is clearly altruistic in its purpose and activity.

5 See 4 above.

- 6 Would the Charities Bill 2003 impose an administrative burden on the organisation?
- (a) Aviation Historical Society of Australia (Qld) does not itself possess charitable organisation status and would not be affected by any additional burden. Any donations of material on offer to AHSA (Qld) for preservation is normally channelled through Queensland Air Museum, which does have requisite Taxation status.
- (b) Queensland Air Museum is constantly working to improve its administrative organisation through updates to its Constitution and Rules. The only administrative burden would be if any Regulations were imposed requiring auditing, internal and external to confirm continued compliance.

7 In my assessment, the Charities Bill 2003 does provide the flexibility to ensure the definition can adapt to the changing needs of society. However, the question of CONTINUED COMPLIANCE by entities needs to be addressed. This could be achieved by regulations which form part of or are an appendix to the Charities Bill 2003.

It is my experience that with some organisations, once Incorporation and Tax Deductibility has been achieved, there is no adequate mechanism to monitor compliance and continued compliance nor for continual improvement.

Governmental Incorporation Act Model Rules which are the basis for incorporation of many organisations are frequently in need of better interpretation to suit the nature of the organisation.

8 In my opinion, the public benefit test should be strengthened if the dominant purpose of a charitable entity were to be altruistic\* in intention.

Neither the Aviation Historical Society of Australia nor Queensland Air Museum would be affected if altruistic intentions were to be mandated for.

Aerospace Heritage Queensland now includes in its draft objectives that of altruism.

#### \*DEFINITION OF ALTRUISM

"Devoted to the good of others (opposed to egoism)"

#### CONCLUSION: AUDITING OF COMPLIANCE

As indicated above, a definition has no relevance if compliance and continued compliance is not confirmed. I have recommended to quality organisations which have members with the skills to establish management systems, that their retired members could perform a useful service to the community by aiding charitable entities with their systems and auditing for compliance.

They could help with constitutional matters and with procedural matters at little or no cost.

Yours sincerely

R H Hitchins.

Chairman: Aviation Historical Society of Australia (Qld Section).

Founding President: Queensland Air Museum

Coordinator: Aerospace Heritage Queensland.

Registered Lead Auditor: International Register of Lead Auditors

Fellow: Quality Society of Australasia.

Fellow: Australian Organisation for Quality.