

KR/MN/BC031347

29 August 2003

Consultation on the Definition of a Charity
The Board of Taxation
c/o The Treasury
Langton Crescent
PARKES ACT 2600

Dear Sirs

The purpose of our submission is to seek clarification of the following statements, questions:

- In drafting this Bill, is the intent to include the definition of a charity as indicated in the Report of the Inquiry into the Definition of Charities and Related Organisations, particularly Recommendation 13? Under ‘advancement of social or community welfare’, the definition recognises that the services and benefits provided by charities in this area are broad and include, inter alia, the care, support and protection of the aged and people with a disability, including the provision of residential and non-residential care. Is this a clear intent of the Bill?
- We note that definition of a Public Benevolent Institution (P.B.I.) is not included in this Bill. However, as we understand it, “Public Benevolent Institution” is fundamental to the definition of a charity and nothing in this Bill appears to change this position. Therefore, does a P.B.I. retain its common law definition?
- Consequently, are we correct in believing that, as a P.B.I., we will not be significantly affected by this Bill?

Clarity

- Who will administer this Bill?
- Will it be the Australian Taxation Office (ATO)? If not, what Authority will be responsible?

- Persons and organisations affected by this Bill require the answers to these questions in order to review operational procedures and methodologies.

Disqualifying Purposes

- What is a cause, as stated in 8(2)(a)? Don't most entities have a cause?
- Are there any entities that may not be affected by 8(2)(c)?
- From time to time, we believe that Government seeks dialogue with and contributions from entities. Will this Bill facilitate or hinder this practice?
- Will this Bill be constantly challenged by what is meant by the statements in Disqualifying Purposes 8(1)(2)(a)(b)(c)?

Dominant Purpose

However, we believe that sections 6(1)(a)(b) and (2)(a)(b) do provide some help although section 6(2)(b), in particular the wording 'ancillary or incidental to', may need to be clearer in its meaning.

Thank you for the opportunity of making this submission.

Yours faithfully

Ken Ridge
CHIEF EXECUTIVE OFFICER