

# BOARD OF TAXATION

SUBMISSION RE: CHARITIES BILL 2003

Sent to: [charitydefinition@taxboard.gov.au](mailto:charitydefinition@taxboard.gov.au)

*Note: We decline to send a hard copy of this submission by post, as requested. However we will send it in RTF format to make it easy for the Board to print it out for yourself.*

## 1. Name & contact details of charitable organisation:

### DELORAINÉ COUNTRY HOUSING CO-OPERATIVE SOCIETY LIMITED

27 Emma St.  
Bracknell Tas 7302  
PH 03 63973155  
<billbartlett@dodo.com.au>

## 2. Dominant (main) purpose/s of your charitable organisation?

Provision of affordable housing to low income people in the Meander Valley and Northern Midlands municipalities of Tasmania

This co-operative falls within the definition of a charitable self help group and is registered as an Income Tax Exempt Charity with the ATO

## 3. Concerns or issues with the workability of the legislative definition of a charity proposed in the exposure draft Charities Bill 2003

We welcome the legislative definition of charity, which goes some way towards clarifying what is required to qualify for the benefits of charitable status under taxation and other Commonwealth law. We expect that the Commonwealth definition should eventually become a national standard.

We particularly welcome the open and non-discriminatory self-help groups clause, which clarifies the position of many self help groups, including hundreds of housing co-operatives such as Deloraine Co-operative, set up to provide affordable housing to low income and disadvantaged people. This co-operative is already registered as a charity, so it is not the case that the clause "expands" the definition of charity. But it does greatly clarify what is required.

Although this organisation is not directly affected by such provisions, there is however some concern in the community housing sector with section 8 of the Bill (Disqualifying purposes). Such concern relates to Section 8(2)(c), which disqualifies organisations whose main purposes include advocating changes in government policy.

On balance the Bill seems to clarify that the disqualifying purposes provision (other than unlawful activities) only applies where such political purposes are "...more than ancillary or incidental to the other purposes of the entity concerned". Nevertheless, given the alarm this has

generated, it might be wise to clarify this issue beyond doubt. We do not presume to suggest how this issue could be made any clearer, but no doubt a way can be found.

Any doubts could have serious repercussions for many small charities like Deloraine Co-operative, which are greatly assisted by the support of peak organisations at state and federal level. These large organisations are devoted to community development activities and supporting groups like ours, however at times it is necessary for them to engage in political activities to represent the interests of many other organisations. Clearly this is entirely legitimate. Any doubts about the status of these organisations might cause havoc, since many small charities do not have the economies of scale or expertise to efficiently duplicate the services of the sector-wide peak and resource organisations. (Writing this brief submission is a nuisance and a distraction for us. We prefer to delegate that sort of work to organisations which have more expertise and time.)

**4. Would the Charities Bill 2003 impose any additional administrative burden on your charitable organisation**

No. Except as noted with regard to the possible uncertainties related to the assistance and support we depend on from peak bodies.

**5. In your assessment, does the Charities Bill 2003 provide the flexibility to ensure the definition can adapt to the changing needs of society?**

It would appear so.

**6. If the public benefit test were further strengthened by requiring the dominant purpose of a charitable entity to also be *altruistic*, would this affect your organisation? If so, how?**

This is unclear. It may create some additional uncertainty, without any apparent purpose. It is unclear to us what this would add to the current situation.