

Your ref:  
Our ref: SFMD 0732  
Enquiries: Dave Richards 9222 2530

Ms Jane Schwager  
Consultation on the Definition of a Charity  
The Board of Taxation  
C/- The Treasury  
Langton Crescent  
PARKES ACT 2600

Dear Ms Schwager

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

With reference to your correspondence of 5 August 2003, thank you for the opportunity to provide comments in relation the Exposure Draft Charities Bill 2003.

The Department for Community Development views the support of the community based not for profit sector as a vital component in the maintenance and delivery of social welfare services. Arguably, tax advantages gained to assist in the reduction of operating costs of 'Charitable' entities ultimately benefits the wider public. To this end it is important that there is a clear and consistent application of the 'Charity' definition and any unintended consequences are identified and managed.

The Department for Community Development considers that the Exposure Draft Charities Bill 2003 and the supporting explanatory documents still leaves open to interpretation which entities may be defined as a 'charity' when examining a 'disqualifying purpose'. This capacity to interpret may directly impact on 'peak' or representative bodies as result of the activities they may undertake from time to time. If the charitable status of these entities is adversely affected it may have a direct flow-on effect for services to their respective constituents. Ideally, the status of these organisations should not change as a result of the introduction of the Charities Bill 2003.

Yours sincerely

Jane Brazier  
DIRECTOR GENERAL

30 September 2003