

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

Submission to the Board of Taxation on the draft Charities Bill 2003
September 2003

FPA Health (formerly Family Planning NSW) provides high quality reproductive and sexual health care and education to the community, directly contributing to the national public health infrastructure. The nature of our activities are necessarily diverse involving both the direct provision of services such as treating and preventing disease in clinics, health promotion programs and indirect such as training health professionals and research. We also devote substantial resources to develop curricula and resources for educators and health workers who promote reproductive and sexual health.

We welcome the majority of the draft Charities Bill and believe that developing legislative definitions for charities and related organisations will reduce current inconsistency in application. It also provides definitions of charitable purposes that are in line with the work of modern charitable organisations.

© **Dominant purposes of FPA Health**

Under the proposed definition contained in Clause 10 of the Bill, the dominant purpose of FPA Health is *the advancement of health*. The organisation would also meet the definitions *the advancement of education* and *the advancement of social and community welfare*.

If the public benefit test were further strengthened by requiring the dominant purpose of a charitable entity to also be *altruistic*, this would not affect FPA Health. Our programs and services are available to the general community but are also targeted to particular groups. For example, our health promotion programs target those who are members of socially and economically disadvantaged groups. We currently meet the definition of the public benefit test, which as proposed, will continue to exist.

Although we are supportive of legislative reform in this area, we have a number of concerns about the draft Charities Bill. These are outlined below.

© **The definition of a Public Benevolent Institution**

FPA Health was recently granted Public Benevolent Institution (PBI) status. Prior to this, the organisation has not had PBI status, despite the fact that other organisations that engaged in comparable work did enjoy PBI status. We therefore strongly believe that the definition of

Public Benevolent Institutions needs to be modernised, so that consistency of definition is achieved. We also believe the Charities Definition Inquiry's proposed solution is simple, and workable.

© **Advocacy as a disqualifying purpose**

We are also concerned about Clause 8 of the Draft Bill which seems to propose that a charitable organisation engaging in public advocacy work to change law or government policy may be disqualified as a charity.

We believe that if public advocacy work is in aid or furthers an organisation's dominant charitable purpose then it should not be a disqualification from charitable status. While advocacy may not be a dominant purpose of an organisation, it may be used to promote an organisation's charitable purpose.

© **Clarification of "Government body"**

The majority of our funding comes from the Commonwealth and State governments, and we also raise revenue from commercial activities and donations.

Clause 4 refers to "Government body" which would benefit from further clarification to make clear that receiving public funding does not imply that an independent organisation is a government body.

With other Australian not-for-profit organisations we request a second round of charity reform to address the above concerns.

FPA Health
328-336 Liverpool Road
Ashfield NSW 2131
02 9716 6099 (phone)
02 9716 6164 (fax)