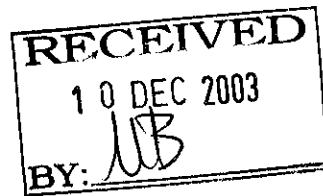


To: Consultation on the Definition of a Charity
Board of Taxation
c/- The Treasury
Langton Crescent
PARKES ACT 2600



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

30 September 2003

1. Name of Organisation

Job Futures Ltd.
323 Castlereagh Street, Sydney NSW 2001

Contact Person: Robert Tickner, Chief Executive

2. Purpose of Organisation

JOB *futures* is a national network of community-based not-for-profit organisations which deliver quality employment, training and support services. Combining national reach with local knowledge through its community based and local government operators, the JOB *futures* group is a major player in the delivery of employment and related services across Australia. In virtually all our work we have a major priority focus on assisting disadvantaged people in the country, including Indigenous people, people with a disability, young people and people from non-English speaking backgrounds.

We have over 60 member organisations operating from over 160 sites nationally, delivering recruitment, training and support services. All our member organisations have charitable status and many, including JOB *futures* also have Public Benevolent status. Most are incorporated under state and territory associations law, although some operate as a Company Limited by Guarantee. The Patron of JOB *futures* is His Excellency Major General Michael Jeffery, the Governor General of the Commonwealth of Australia.

We operate on the basis that strategic alliances between non-profit organisations and with the private sector and government are important in building stronger communities and assisting disadvantaged people in the community. Our members have many years experience in delivering employment and related services.

3. Submission to the Taxation Board

- (a) JOB *futures* notes that Clause 8 of the Charities Bill can be read as seeking to exclude advocacy and lobbying activities from the activities of Charities.

Job Futures submits that all charitable organisations have a responsibility, and are often requested by Government, to provide advocacy advice to both the community and government departments.

As Community organisations with a charitable purpose, JOB *futures* and its members seek to bring about change that will benefit unemployed and disadvantaged people and ensure that the services provided to them constitute an effective use of limited resources.

We work closely with government departments and the community to build a stronger community. This will often involve advocating for legislative change or for the redirection of funds available to the community.

This is a significant role of all charitable organisations and should not be excluded from the definition of “charitable purposes”.

- (b) JOB *futures* also notes that the definition of a charity excludes “government bodies” from charitable status in Clause 1.17 and then notes in Clause 1.19 that in some cases government funding and/or government regulation may be considered to be factors that are relevant in determining the definition of “government body”.

Job Futures submits that this definition needs to be clarified to ensure that charitable organisations delivering government services are not treated as “government bodies”.

Given the practice of contracting out significant areas of government services over the last 20 years, there are now many examples of charitable organisations holding contracts to provide services to the community that were once provided by the government. The delivery by JOB *futures* and its members of Job Network services is an example of this.

It is important that the Bill clearly excludes these organisations from the definition of “government bodies”.

- (c) JOB *futures* also notes that the draft Charities Bill does not address the definition of Public Benevolent Institutions but has left the Australian Taxation Office in charge of determining whether a charitable organisation should have PBI status.

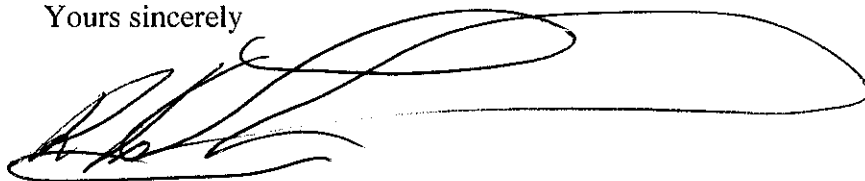
Job Futures submits that this Bill does not adequately provide a definition of charity without addressing the issue of Public Benevolent Institution.

The Bill does not clearly state whether the definition of charity in the draft bill will be applied by the Australian Taxation Office to determine PBI status. At present the situation is that some organisations have charitable status while others have PBI status but there are no clear guidelines to determine eligibility for PBI status. There are significant differences in the taxation advantages of the two types of organisations and this can lead to inequity amongst charitable organisations and can also impact on the capacity of organisations to provide charitable services.

This Bill does not address this issue and in fact could lead to an increase in difficulty in distinguishing between Charities and PBIs. The Bill does not provide clear guidelines for the ATO in their determination of whether an organisation should be treated just as a charity or as a Public Benevolent Institution.

I would be pleased to provide further comment to the Board to support this submission and can be contacted on (02) 9281 6822 or by email at robert.tickner@jobfutures.com.au.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Robert Tickner', written over a horizontal line.

Robert Tickner
Chief Executive