



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

30 September 2003

### **General Comments**

In general Lifeline Australia is in support of the new Bill. Lifeline does however continue to assert that the language around health be clear enough to include mental health as well as physical health. (See previous submission sent January 2001 at ATTACHMENT 1).

Lifeline Australia would also support the idea of a Charity Commission also recommended by the inquiry.

However we would not support Clause 8 in its current form

### **Clause 8 - Disqualifying Purposes**

Lifeline Australia would be opposed to these clauses which seek to impose restrictions on the advocacy and lobbying activities of charities. As a free democratic society it is imperative that charities along with all citizens of Australia must have the right to advocate on behalf of others. Clearly charities are often in the unique position of knowing the circumstances of disadvantaged groups and are therefore able to advocate on behalf of them to governments, policy and decision makers.

Clause 8 in our opinion is unnecessary and would impose intrusive, time consuming regulation of charity work as well as restricting the valuable contribution charities make to Australian society.

If this crucial change is made, Lifeline Australia would support the draft Bill.

**Lifeline Australia is available for further consultation and discussion.**

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## ATTACHMENT 1

### SUBMISSION FROM LIFELINE AUSTRALIA INC

#### INQUIRY INTO THE DEFINITION OF CHARITIES AND RELATED ORGANISATIONS January 2001

### Summary and recommendations

This inquiry provides an opportunity for charities to consider how definitions are used to clarify purposes and activities. It is the view of Lifeline Australia Incorporated (Inc) that this process requires further thought, consideration and consultation with the community and charitable sector. A broader debate should be encouraged and adequate time for the implications of changes to our existing legislation be considered.

As a member of the Australian Council of Social Services (ACOSS) Lifeline Australia Inc supports in general the position put forward by ACOSS on the definition of charities. (ACOSS Paper 110) January 2001.

However there are some additional points Lifeline Australia Inc has tabled for consideration.

### Purposes beneficial to the community

We would agree that the classification system that identifies "other purposes beneficial to the community" is currently too vague and general. The Canadian definition states as one of the purposes beneficial to the community;

"Preventing and relieving sickness and disability, both physical and mental (e.g. services performed by hospitals, clinics, nursing and convalescent homes, the provision of home care services and the establishment of workshops or other centers for disabled people)"

This includes both physical AND MENTAL needs of the community.

Australia's National Mental Health Strategy, comprising the *Mental Health Statement of Rights and Responsibilities*, the *National Mental Health Plan* (Australian Health Ministers, 1991, 1992a and b respectively), was set in place in 1992. One of its principal aims was to promote mental health and, where possible prevent or reduce the burden of mental health problems and disorders.

It states that:

*“Close to one-in-five people in Australia were affected by a mental health problem within a 12-month period, according to the National Survey of Mental Health and Wellbeing (McLennan, 1998). Young adults were particularly affected, with more than one-quarter of Australians aged 18 to 24 years suffering from at least one mental disorder over a 12-month period. Among adults, some 18 per cent suffer from a mental disorder and the prevalence of anxiety, depression and substance use disorders is 9.7 per cent, 5.8 per cent and 7.7 per cent, respectively. For older adults the prevalence of mental disorders drops to 6 per cent among those aged 65 years and over, although an additional 6.1 per cent are estimated to have dementia. Dementia is strongly related to age, affecting 1.6 per cent of 65 to 70 year-olds and 39 per cent of 90 to 94 year-olds (Henderson and Jorm, 1998; Jorm et al, 1987).*

It has been reported that the burden of mental disorders has been significantly underestimated in terms of its personal, social and economic impact. Worldwide, psychiatric disorders account for almost 11 per cent of all disease burden (Murray and Lopez, 1996) and in 1990 they made up five of the ten leading causes of disability. In Australia, mental disorders accounted for nearly 30 per cent of the non-fatal disease burden in 1996. While not a major direct cause of death, accounting for only 1.4 per cent of years of life lost, mental disorders are a major cause of chronic disability, accounting for 27 per cent of years lost due to disability (Mathers, Vos and Stevenson, 1999). The direct cost of mental disorders and problems in 1989-90 was estimated to be \$2 billion (AIHW, 1996). This estimate does not take into account indirect costs such as the impact on families and communities, the need for welfare response, and coronial work in the case of suicides. The health costs and loss of earnings due to suicides and suicide attempts during 1989-90, for example, was estimated to be \$920 million (Raphael and Martinek, 1994).”

#### **Lifeline Australia Inc Recommendation 1**

In light of the importance given to this issue by the Australian Government and the increased incidence of mental health problems it is our view that the relief of mental illness or distress should be included as part of the purposes beneficial to the community.

Additionally the Canadian definition includes

#### **1.1 “Providing counselling services for people in distress;”**

Lifeline Australia has been providing a FREE 24 hour telephone counselling service to Australians for over 35 years. The telephone counsellors are volunteers and contribute an enormous contribution to the well being of Australian Society. This service provides referrals to refuges for victims of domestic violence, and to many other support services as well as providing a first point of contact for crisis

callers e.g. suicide. Counselling, both face-to-face and over the telephone, is now well recognised for its therapeutic and social benefits.

**Recommendation 2**

It is the view of Lifeline Australia Inc that the provision of counselling services for people in distress should be included as part of the purposes beneficial to the community.

**Should definitions be based on purposes or activities?**

Lifeline Australia would like to lend its support to the arguments put forward by ACOSS on this issue and reinforce that the primary purpose of the organisation should determine its tax status.

It is our view that it is ability of charitable organisations to fundraise through commercial activities that reduces the burden on the public health budget and enables services such as ours to be delivered at a minimal cost to the community.

Lifeline operates its telephone counselling services from 42 locations around Australia. It largely funds these Centres through the operation of more than 200 recycled clothing shops that provide significant benefits in themselves apart from providing the funds to operate the telephone counselling Centres. They provide low cost goods to the community and reduce waste through recycling,

There is no convincing evidence to suggest that charities such as ours have any “unfair competition” advantages over mainstream retailers. All of our funds raised through these shops are devoted to the provision of services and tax compliance burdens would severely limit our ability to affectively deliver services.

**Lifeline Australia is available for further consultation and discussion.**

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