

# Consultation on the Definition of a Charity

Submission to: The Board of Taxation  
C/- The Treasury  
Langton Crescent  
PARKES ACT 2600

From the

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# Submission to the Board of Taxation

With reference to the

## Consultation on the Definition of a Charity

### 1. Name of Organisation:

The Mental Illness Fellowship of Australia Incorporated {MIFA} is a not-for-profit, non-government peak body representing people affected by mental illness.

### 2. Dominant purpose of the organisation:

MIFA is the peak body for 8 organisations in mainland Australia which represent and provide services to people affected by mental illness. MIFA provides a common forum to exchange strategies and provide mutual support in the development and promulgation of relevant programs to improve the well-being of people affected by mental illness.

### 3. Concerns with the 'workability' of the definition:

- The Board of MIFA expresses concern that the exposure draft Charities Bill has the potential to obviate government policy with regard to partnerships. The Charities Bill Section 4 Core Definition (1) (f) explicitly excludes a partnership. The promotion of partnerships as government policy has slipped into the lexicon as PPS [ie Public, Private Partnerships] and has been endorsed by the Prime Minister with the introduction of awards for *Excellence in Community Business Partnerships*. The awards are given to reward a 'national commitment to strengthening communities through innovative partnerships.'
- Partnerships between organisations in mental health service delivery have been promoted in the first, second and third federal Mental Health Plans. Indeed a number of funding programs such as HACC have explicitly excluded sole organisation submissions for funding and required a partnership approach in some of their programs.
- The Definition of Charity in the exposure draft Charities Bill is currently inconsistent with government policy being promoted in sectors other than taxation.

### 4. Additional administrative burden

As the Bill reads currently there does not appear to be a marked increase in administrative burden.

### 5. See 3 above.

### 6. Inclusion of 'altruistic' in definition

The inclusion of the term 'altruistic' would not affect MIFA.

## 7. Other

The Board of MIFA expressed grave concern over the inclusion of Section 8 Disqualifying purposes in particular s.8 (2) (a) and (c).

- s.8 (2) (a) appears unconstitutional in its present form as it affronts the implied freedom of political communication contained within the constitution by expressly forbidding freedom of speech to comment on law or government policy. Many charitable bodies are the voice of their constituency to government and should be accorded that right as a democratic principle. MIFA does not disagree with a weighting being placed on activities related to advocacy, providing that the right to advocate should remain in addition to altruistic service provision; and acknowledge that advocacy is an important role for many charitable organisations.
- In the light of the above dot point MIFA wishes the phrase 'or cause' deleted from s.8 (2) (a). Organisations such as MIFA may want to promote the well-being and interests of consumers or carers for the purpose of promoting that cause to the general public. As written in the draft, 'cause' is a broad term which is open to interpretation and may constrict organisations from acting on behalf of their membership.