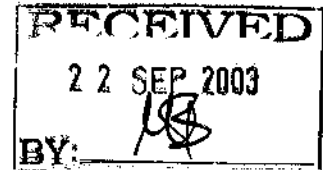


15 September 2003

The Secretary  
Consultation – Definition of Charity  
Board of Taxation  
C/- Treasury  
Langton Crescent  
PARKES ACT 2600



Sir

### ALTRUISM

Your Board would be well aware of the definition of the word – which I quote:

- Oxford Dictionary – *“Regard for others, as a Principle for Action”*
- Macquarie Dictionary – *“The Principle or practice of seeking the welfare of others (as opposed to Egoism)”*

I find it refreshing that nowhere in the Draft Charities Bill 2003, does the word appear. Your Board has been asked by the Federal Treasurer to consult as to whether the term should be reintroduced, because of a recommendation in an Inquiry Report.

My submission is that *it should not*. Its inclusion would just “muddy the waters” again. The Draft Bill in Sections 6 (Dominant Purpose); 7 (Public Benefit); 8 (disqualifying Purposes) and later, makes it very clear as to eligibility.

In my experience the Deputy Commissioner of Taxation (via his officers) has always fallen back on the term “Altruism” – which he has had difficulty defining – when dealing with Applications for Exemption under the old paragraph 23(g)(v) of the Income Tax Assessment Act 1936 (s50-10 Income Tax assessment Act 1997). To illustrate I quote from correspondence in 1995 and 1996 from the ATO.

- *“the words” for community service purposes “are not defined but are given a wide interpretation:*
- *the words would not extend to benefits provided to one of those classes of persons, where the benefits provided were not by virtue of some altruistic purpose, or are for the benefit of all members irrespective of their intrinsic need for those benefits”*
- *“The term ‘Altruism’ is not defined in the Act nor does it appear to have a technical meaning under the law. In such a case, the terms should be given their ordinary meaning.”*
- *“from the information provided it is considered that whilst some aspects of the organisation are altruistic, the major purpose and activities of the organisation could not be considered “altruistic as that term is commonly understood:*

Clarity or confusion! I suggest the latter, and thus strongly support the draft bill exclusion of the word (in whatever form). The intended clauses are clearly adequate for all affected laws, including the Income Tax Assessment Act.

Sincerely



**JG Orr.**

Background: -

- Director National Seniors Foundation Ltd
- Former Director National Seniors Association
- Former Director Later Years Limited
- Retired Chartered Accountant