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26th August, 2003

Jane Schwager,
Chair, Charities Definition Working Group,
The Board of Taxation,
C/- The Treasury,
Langton Crescent,
PARKES ACT 2600

Dear Jane,

CONSULTATION ON THE DEFINITION OF A CHARITY

Thank you for your letter to me of the 5th August, 2003, inviting me to make a submission to this consultation, as I had made a submission to the earlier Inquiry into Charities.

Attached is my submission, which is also being faxed to you.

Yours faithfully,

DAVID H. PRICE

SUBMISSION

Having spent the last thirty years working for, or with, a variety of institutions, in the commercial as well as the non-commercial sectors of the Australian economy, regulation, whether by definition, rule or indirect suasion, such as Australian Standard AS3806, comes as a combination of benefit and curse.

If we accept the proposition advanced in the report of the earlier Inquiry, that a charity be a not - for - profit entity, whose dominant purpose can be discerned objectively as charitable, altruistic and for the benefit of the public at large, then we have very few "charities" in Australia at present.

Whatever a "religion" may be defined at law to be, there should be a clear division between :-

- ❖ Government funded activities of such a body
- ❖ "self -funded" activities
- ❖ services offered on a no , or insignificant , cost basis to those receiving such services.
- ❖ Commercial activities

Given that the mainstream religions in Australia, that receive government funding to undertake government programs, such as the "job network " program , establish entities to administer these, any definition of "charity" , should exclude such activities.

The impact of a commonwealth definition on "charities" needs to be very clear as to the scope and relevance of its definition ; for example :

- Will the definition only be for purposes of revenue law, or will it have wider application?
- Will the definition supercede the definitions of a "charity" as currently used in the various states and territories of Australia ?
- Will the definition require "silence" as a condition of remaining a charity ?

It is to be regretted that we cannot come up with a new term for "charities", to take discussions on this from the era of Dickens to the 21st century.

If there is to be a "new" , multi -purpose, definition of a charity, then "charities" need a new image, so that as the current society frameworks

evolve, so can the definition be changed, in an informed way, rather than as a "command from them up there".

SO - what am I saying; I am saying that we need an issues framework, as the basis for developing a new understanding of what a "charity" is and does, at a very practical, grass- roots level, map out the activities, indicating what needs to be done to meet the multi- purpose definition of a "charity "

An introduction to such a possible framework is set out below :-

CHARITY - to receive exemption from income tax, XXXXXXXX
- to be able to offer a tax deduction for donations, XXXXXXXX

NOT -FOR - PROFIT - to receive concessional taxation treatment ,
Xxxxxx

GOVERNMENT
FUNDED ENTITIES - to receive concessional taxation treatment .
(e.g Meals on Wheels) XXXXXXXX

and so on.

Thank you for your time in considering my submission.