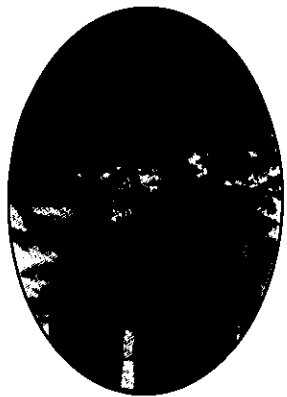


P79



# SHIRE OF DERBY/WEST KIMBERLEY

ABN 99 934 203 062 P.O. BOX 94, DERBY, WESTERN AUSTRALIA 6728  
TELEPHONE: (08) 9191 0999 FACSIMILE: (08) 9191 1221  
E-MAIL: [sdwk@sdwk.wa.gov.au](mailto:sdwk@sdwk.wa.gov.au)

ALL COMMUNICATIONS TO BE ADDRESSED TO THE CHIEF EXECUTIVE OFFICER

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JP CR/6

OUR REF.

YOUR REF.

**FAXED**  
25/9/03

24 September 2003

Consultation on the Definition of Charity  
Board of Taxation  
C/- The Treasury  
Langton Crescent  
Parkes ACT 2600

**RECEIVED**  
29 SEP 2003  
BY: *MB*

Dear Sir

## Consultation on the Definition of Charity

Thankyou for providing us with the opportunity to comment on Definition of Charity as proposed in bill form.

As you would be aware Local Governments in Western Australia are regulated under the Local Government Act (1995). Section 6.26 specifically states that all land with its district is rateable with some exceptions in particular circumstances. These include:

- (2)(d) *land used or held exclusively by a religious body as a place of public worship or in relation to that worship, a place of residence of a minister of religion, a convent, nunnery or monastery, or occupied exclusively by a religious brotherhood or sisterhood;*
  - (e) *land used exclusively by a religious body as a school for the religious instruction of children;*
  - (g) *land used exclusively for charitable purposes; ....*
- (6) *Land does not cease to be used exclusively for a purpose mentioned in subsection (2) merely because it is used occasionally for another purpose which is of a charitable, benevolent, religious or public nature.*

Section 6.26(2)(g) does not give a clear definition of 'charitable purposes' and considerable resources have been utilised over a significant period of time to determine a clear set of guidelines that this council employs whilst determining 'charitable purpose' with regard to land usage.

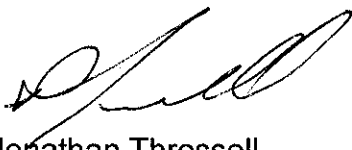
It was envisaged that the new charitable bill would assist in defining the words 'charitable purpose', however it would appear that rather than giving greater clarity it has in fact broadened the focus to such an extent that should this bill be passed into legislation, we would be required to prepare guidelines as to what constitutes the References to Charitable Purposes as detailed in Part 3 10 (1)(2). Not only does the draft bill specifically state six broadly titled headings such as 'culture', 'natural environment', and 'social and community welfare', it also gives an all encompassing 'catch-all' covering 'any purpose that is beneficial to the community'.

Whilst recognising the need to identify what is 'charitable purpose' we are somewhat perplexed as to the definition given; broadening the scope to cover any purpose that is beneficial to the community and further requiring clarification and guideline at considerable cost and resource.

This Council recognises the philanthropic and altruistic nature of charitable organisations and places considerable value on them as part of our community, however as a Local Government with finite resources, we should not be burdened with the added role of developing clarifying guidelines on legislation which at the very least can be viewed as 'broad' and somewhat non-descript in nature. Further by utilising 'catch-all' definitions the diverse nature of charitable organisations seeking charitable status will increase, impacting on the entire community and force Council to seek other sources of raising revenue. It is absolutely crucial to the future viability of the Shire of Derby/West Kimberley that a clear definition of 'charitable purpose' be identified to ensure that the efficient and effective management of Council operations continue.

I thank you once again for the opportunity to provide comment and should you require any further information please do not hesitate to contact John Pearson on (08) 9191 0999 at your convenience.

Yours sincerely



Jonathan Throssell  
**Chief Executive Officer**