

BOARD OF TAXATION
CONSULTATION ON THE DEFINITION OF A CHARITY
CONSULTATION PLAN

Background and Terms of Reference

1. This Consultation Plan outlines how the Board of Taxation proposes to fulfil a request by the Treasurer, The Hon Peter Costello, MP, for the Board of Taxation to consult on the workability of the legislative definition of a charity proposed in the exposure draft *Charities Bill 2003*. The legislation is expected to commence on 1 July 2004.
2. The terms of reference for the Board's consultation, announced in the Treasurer's Press Release No. 59 of 22 July 2003, are as follows:
 - The Government has announced that it will codify the existing common law meaning of a charity and expand it to encompass certain child care organisations, self-help bodies, and closed or contemplative religious orders.

Pursuant to this decision, the Board is to consult on the workability of the legislative definition of a charity proposed in the exposure draft *Charities Bill 2003*.
 - In addition, the Board should specifically consult on whether the public benefit test in the *Charities Bill 2003* should require the dominant purpose of a charitable entity to be altruistic, as recommended by the *Report of the Inquiry into the Definition of Charities and Related Organisations*.
 - The Board should consult primarily with organisations intended to fall within the new definition of a charity.
 - The Board should consider views put forward and provide its recommendations in a report to the Government by 1 December 2003.
3. You can obtain a copy of the Treasurer's press release from www.treasurer.gov.au.

Consultation Processes

4. The Board has appointed a Working Group of Board members comprising Ms Jane Schwager, Mr John Bronger, Ms Hilary Penfold, and Mr Richard Warburton to conduct the Board's consultations on the definition of a charity.
5. The Board has issued a Press Release welcoming the Treasurer's terms of reference, and inviting organisations within the charitable sector to participate in its consultations. Copies of the *Charities Bill 2003* and *Explanatory Material* are now available.
6. The Board will:
 - call for submissions by placing advertisements in the major daily newspapers in circulation in each State and Territory;

- write to the individuals and organisations who made submissions to the *Inquiry into the Definition of Charities and Related Organisations* to advise them that submissions are being sought;
 - consult directly with key charities representative groups; and
 - invite charitable sector peak organisations to briefings in the State and Territory capitals.
7. In accordance with the Treasurer's terms of reference, the Board's consultations will focus on organisations intended to fall within the new definition of a charity.
 8. The Board intends to make the submissions available on this web site when its report is publicly released by the Government. Submissions made in confidence will not be disseminated by the Board, subject to the *Freedom of Information Act 1982*.
 9. The Board's report to the Treasurer will deal specifically with the workability of the draft definition of a charity contained in the *Charities Bill 2003*. It will also address the question whether the public benefit test should require the dominant purpose of a charitable entity to be altruistic, as recommended by the *Report of the Inquiry into the Definition of Charities and Related Organisations*.

Contacting the Board

10. Submissions should be received by 30 September 2003, and may be sent to:

charitydefinition@taxboard.gov.au

or

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

or

by fax to (02) 6263 4471

11. Further information may be obtained by telephoning (02) 6263 4366.