

## CHRONOLOGY OF THE INQUIRY

10/11/00 [Issues Paper](#) Released and [Web Page](#) established

### 25/10 **Australian Democrat Charity Briefing**

"Things are starting to speed up in getting the Inquiry up and running.

The Government has appointed the Committee and the secretariat is starting to function. They are in the process of putting together the issues paper.

From what I have been told, the issues paper is basically the terms of reference, how the Committee interprets them, and, questions that the Committee would like answered. The Inquiry will be advertised in about two weeks time on a Saturday (4th Nov?) in the major papers and the Issues paper will be available as of then. This may make it difficult for the regional groups to gain knowledge of it so it would be great if you could circulate this information to them.

I am strongly recommending that any organisation interested in this Inquiry place their name on the mailing list. The person to call to do this is Christine Barron. Christine's phone number is 02 6263 4348 or her email is [cbarron@treasury.gov.au](mailto:cbarron@treasury.gov.au) <<mailto:cbarron@treasury.gov.au>>

The mailing list that is being constructed will be the surest way of getting a copy of the issues paper. There will be a web site but from experience these things tend to take longer than anticipated.

The Committee hasn't spoken to organisations yet. The consultation round will happen after the close of written submissions. I have been told that there will not be public hearings. This is not a good outcome since the consultation phase will not be open to the public to hear. Philanthropy Australia Inc will be conducting a series of meetings in Melbourne, Adelaide, Perth, Brisbane and Sydney to collect views on the legal changes necessary to facilitate foundation formation and effective operation. For further information contact Ester Lethlean on 03 9620 0200. There may be

other peak bodies organising other such forums but I am not aware of any yet. I am also concerned that the smaller regional groups may miss out and it is important that the Inquiry hear from them.

The process of the Inquiry will mean that any organisation with an interest will need to send in a written submission. Submissions can be anything from a page of comments through to a substantial document. It is up to the organisation and how much there is to say. If you feel the Committee could get more understanding about the sector from your organisation I think it would be a good idea to say your organisation is interested in being part of the further consultations. The reality of getting into the consultation phase at present is very slim but it never hurts to ask. After written submissions close, which will be at the end of December, the Committee will then decide which organisations they are going to consult with. The written submissions along with the consultations will then be the basis of the report due to be tabled with the Treasurer before 31 March 2001.

It's a tight time line the Government has set and it has the New Year break is right in the middle of it. The Democrats will still keep lobbying the Government on some of the detail. I believe that the most important step now is to let the community sector know to save up a bit of energy for one more important submission before the end of the year.....and get on the mailing list for the Issues paper.

Cheers

Rose Kulak

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9/00 **Fundraising Directions -Newsletter of Fundraising Institute of Australia -Queensland**

**"The Fundraising Institute of Australia's Involvement**

The Fundraising Institute will be making a submission to this Inquiry and it is expected that there will be opportunities for community consultation. National President of the Fundraising Institute of Australia David Zerman said that he would welcome comments from Members in relation to the submission, and recognises that there could be some diversity of views across the sector. The Prime Minister's Press Release of the Committee of inquiry are available on the members section of the Institute's website at [www.fia.org.au](http://www.fia.org.au) and at [www.grantnews.com.au](http://www.grantnews.com.au)"

9/00 **Ministry Matters International (Vol.4 No. 4) - Extract**

**"Action Plan**

The purpose of distributing this information is to get the ball rolling and start the major Pentecostal Movements through the "Australian Pentecostal Ministers Fellowship" to form an Action Committee to communicate direct with the Committee of Inquiry.

The Independent Churches and Ministries should contact their ordaining/licensing body if it's an Australian organisation.

And those who have no one to act on their behalf, please contact us and will (sic) shall formulate a submission on your behalf.

Do not be complacent about this Inquiry, the under tones are quite clear, the major items at risk are Income Tax Exemption, Religious Institution status and Exempt Fringe Benefits.

Our Christian forefathers did not compromise, they died for the faith, let's not just leave it to the Catholic lobby group only."

21/9/00 **Philanthropy Alert September - Extract**

**"LEGAL OBSTACLES TO FOUNDATION FORMATION**

Philanthropy Australia has convened a committee to oversee work on legal obstacles to Foundation formation. This work will feed into the Government/Democrats inquiry into the redefinition of charity. We are interested to hear from anyone with views on legal obstacles to Foundation formation. Please email [e.lethlean@philanthropy.org.au](mailto:e.lethlean@philanthropy.org.au) or fax (03)

96200 199 with any relevant information or views. We would particularly welcome examples of would be Foundation creators who have been deterred by legal and other obstacles.

For the Terms of Reference, please find attached a copy of the Media Release from the Prime Minister and Cabinet: "Inquiry into Charitable and Related Organisations"

18/9/00 [The Inquiry into Charitable and Related Organisations Terms of Reference](#) announced by the Prime Minister.

7/00 Elizabeth Cham, Executive Director of Philanthropy Australia in their journal, *Philanthropy* (Vol 42,p 4) wrote:

"Of even greater long term significance, however, is the government's agreement to review the definition of Public Benevolent Institutions (PBI's). The current limitations on what an organisation must do to claim tax deductible status, and thus be eligible for most private grants, arises from a law of 1601! Groups focusing on community development, job creation, prevention, or advocacy, fall outside the crucial definition. Four hundred year later, a very different view prevails about how best to address justice and equity in a meaningful way, and Australia lags behind in its legal definition of public benefit. In the early years of the Australian Parliament, some of the world's most socially progressive legislation was passed. It would be a fitting goal for the Centenary of Federation to restore that leadership."

26/6/00 The Prime Minister, The Hon John Howard address to the Prime Minister's Community Business Partnerships Awards at Parliament House Canberra included the following remarks:

"Charities churches and not-for-profit organisations are of course pivotal members of the social coalition. They are playing a major and running role under the Government's business and community partnerships policy. And we always need to ensure that the legislative and administrative framework in which they operate are appropriate to the economic and social environment of modern times. Yet as many of you involved in those organisations will know, the common law definition of charity is based on a legal concept which originated in 1601. As a result, there are currently a number of definitions of a charity and this often gives rise to legal disputes. And therefore the Government has announced an independent inquiry into definitional issues relating to charities, churches and not-for-profit organisations to be completed by the end of the year. The terms of reference of the inquiry, let me assure you - it has no goal other than a simpler, clearer legal definition are being developed in consultation with the Australian Democrats and the Community Business Partnership."

2/6/00

*The Interim Report of the Innovation Summit Implementation Group to the Prime Minister's Science, Engineering and Innovation Council* noted:

"Australian philanthropic investment in R&D appears to fall short of the mark in comparison to similarly placed economies.

The Group is analysing whether there is a different treatment between philanthropy incentives available for arts and cultural pursuits and for R&D. The Group proposes that any differential treatment be removed.

A number of initiatives could be in place to encourage philanthropic investment in R&D. For example, the Group considers that there could be an active promotion of science and research as avenues for philanthropy. The Group considers that the establishment of a service that matches philanthropists with eligible researchers, universities and research agencies is warranted. Ensuring that incentives available through the Cultural Gifts and Cultural Bequests Program are available for science and research philanthropy, including tax deductibility provisions and capital gains tax exemption for donations would assist in bolstering philanthropic investment in R&D.

Finally, the Group considers that corporate Australia is likely to be fully engaged in investing in the new economy and part of this is being networked with strategic groups - this new approach to building intellectual capital partnerships and strengthening customer ties will result in greater engagement by corporate Australia."

5/00

The *Trade Paper Association Times* reports that the Government has established an independent inquiry into the definitional issues relating to charities, churches and not-for-profit organisations. It anticipated that the Charities Consultative Committee will be engaged to direct the inquiry. (page 1)

13/4/00

Letter from the Treasurer to Senator Meg Lees about FBT capping of certain nonprofit organisations.

"In my letter to Senator Woodley of 8 December 1999, I raised the prospect of some type of inquiry into definitional issues relating to charities, churches and not-for-profit organisations. I now propose we proceed with an independent inquiry with the objective that it be completed by the end of this year. I would like to further discuss with you and Senator Woodley who should conduct the inquiry along with its terms of reference."

8/12/99

Letter from the Treasurer to Senator John Woodley confirming agreement on Charities Consultative Committee Report Recommendations.

"Finally, and on a more general note, I note that there are various kinds of charities according to various definitions which lead to the various kinds of different treatment under income tax, WST and financial taxes. The definitions have raised huge legal disputes over past decades.

Given that the common law definition of charity is based on a legal concept originating in the sixteenth century, I consider there may be some merit in examining the definitional issues. You have raised the possibility of looking at this through the Law Reform Commission or some other mechanism. While I do not wish to be definite at this stage, I would like to further discuss the possibility of some type of inquiry to examine definitional issues outside the context of the current issue and I propose therefore that we return to this discussion next year."

29/11/99

[Senate Economics Legislation Committee Report](#) on *Taxation Law Amendment Bill (No.8) 1999* and *A New Tax System (Tax Administration) Bill 1999* that includes provisions widen tax deductibility of certain organisations, make it more flexible, and to endorse all existing charitable institutions and trusts. It considered the issues of the tax exemption and deductibility definitions.