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Consultation on the Definition of a Charity
The Board of Taxation
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Charities Bill 2003 Exposure Draft

Members of our 13 Tasmanian branches Timber Communities Australia wish to support this important piece of legislation. The law formalises the definition of Charities established by common law precedent and gives clear guidance to the Australian people on what defines a charity.

We believe there is a substantial public benefit to this law as charities enjoy significant support by Government and the community. A charity may be entitled to income tax exemption, the refund of excess imputation credits, certain fringe benefits tax and GST concessions. In addition, a charity may be eligible for deductible gift recipient (DGR) status.

It is therefore important to have confidence that recipients of these concessions will use their resources for public benefit and not engage in illegal activities or spend significant time in lobbying or in political activities.

We believe the new Act will be "workable". That is the Act provides greater clarity and transparency to charities; and provides the flexibility to ensure the definition can adapt to the changing needs of Australian communities.

In strongly supporting the disqualification of groups that engage in supporting political causes, political candidates or subverting government policy. We believe that disqualification, as a charity should lead to automatic removal from the ATO's register of deductible gift recipients.

We also consider that similar restriction should be placed on groups that receive tax-deductible status. Many groups listed by the Taxation Act or on the register engage in political activity. These include Tasmanian groups listed by Environment Australia in consultation with the Treasurer such as Tasmanian Environment Centre, Launceston Environment Centre, and the Wilderness Society. The Taxation Act lists the Tasmanian Conservation Trust.

We consider these groups are predominantly political and that the majority of their activities are designed to replace current government policy with their own aspirations. On many issues, they are publicly seen supporting or working with a political party.

These groups should not enjoy tax –deductible status.

In summary we believe that this legislation is needed to give the public confidence when supporting charities, and to ensure that public funds, or the non-collection of taxes are used wisely and in an accountable manner. We also believe that the principles incorporated into this Act should be extended to all recipients of tax – deductible status.

Kind regards,

Barry Chipman
Tasmanian State Coordinator