

Senate Finance and Public Administration Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
BUDGET ESTIMATES 2011-2012

Prime Minister and Cabinet Portfolio

Department/Agency: Department of the Prime Minister and Cabinet
Outcome/Program: 1.1.1 – Domestic Policy
Topic: Definition of charity

Senator: Siewert

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Question:

Senator SIEWERT: There is some confusion in some of the media about minister's statements. They are varied and almost contradictory comments that I have seen in the media and in the minister's statements around this tax concession. There is a comment made that the government believes that it is important that charities use their tax concession only to assist disadvantaged people. Can you clarify for me whether we are using disadvantage people in terms of 'just for people' or are we talking about this issue as it relates to the broader definition of charity?

Answer:

In the 2011-12 Budget, the Australian Government announced that will introduce a statutory definition of 'charity' across all Commonwealth agencies from 1 July 2013. The definition will be based on the 2001 *Report of the Inquiry into the Definition of Charities and Related Organisations*, taking account of the findings of recent judicial decisions

The statutory definition is intended to provide clarity and certainty to entities within the charitable sector on the existing common law meaning of charity which is based on over 400 years of common law. Under the common law, charitable purpose is not restricted to assisting disadvantaged people. It also includes a wide range of purposes including advancement of health, education social or community welfare, religion, culture, the natural environment and other purposes that are beneficial to the community.

Treasury will consult widely on the form of the definition.