

The Senate

Economics Legislation Committee

Tax Laws Amendment (2004 Measures No. 1)
Bill 2004

May 2004

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ISBN 0 642 71377 4

Printed by the Senate Printing Unit, Parliament House, Canberra.

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CHAPTER 1

INTRODUCTION

Background

1.1 The Tax Laws Amendment (2004 Measures No. 1) Bill 2004 was introduced into the House of Representatives on 19 February 2004 by the Hon Ross Cameron MP, Parliamentary Secretary to the Treasurer. It was passed by the House of Representatives on 4 March 2004, and was introduced into the Senate on 8 March 2004.

Purpose of the Bill

1.2 The bill is an omnibus bill, introducing a range of measures to affect various pieces of taxation legislation. It contains eleven schedules of amendments, only three of which (schedules 7, 10 and 11) are considered in this report.

Reference of the Bill

1.3 On 10 March 2004, the Senate adopted the Selection of Bills Committee Report No. 3 of 2004 and referred the provisions of the bill to the Senate Economics Legislation Committee for consideration and report by 12 May 2004.

1.4 While the Senate referred the bill as a whole to the Committee, the Selection of Bills Committee Report makes it clear that not all of the measures in the bill required consideration by the Economics Legislation Committee. The Selection of Bills Committee Report stated that the Economics Legislation Committee was to:

... examine the impact of Schedules 7, 10 and 11 on deductible gift recipients, public benevolent institutions and the integrity of the tax system.¹

Purpose of Schedules 7, 10 and 11

1.5 All three of the schedules referred to the Committee relate to the tax treatment of charities and other public benevolent institutions. In his second reading speech, the Parliamentary Secretary to the Treasurer described the effect of each of the schedules as follows:

Schedule 7 provides a tax deduction for contributions of cash or property to deductible gift recipients, where an associated minor benefit is received.
[...]

Schedule 10 will require charities, public benevolent institutions and health promotion charities to be endorsed by the Commissioner of Taxation in

1 Selection of Bills Committee Report No. 3 of 2004.

order to access all relevant taxation concessions. In addition, endorsed charities will now have their charitable status displayed on the Australian Business Register.

[...]

Lastly, [in schedule 11] this bill updates the lists of specifically-listed deductible gift recipients in the Income Tax Assessment Act 1997.²

Submissions

1.6 The Committee advertised its inquiry into the Tax Laws Amendment (2004 Measures No. 1) Bill 2004 on the internet and in *The Australian* newspaper. In addition the Committee contacted a number of organisations, including various charitable organisations, alerting them to the inquiry and inviting them to make a submission. In order to maximise the opportunity for participation in this inquiry, the Committee continued to accept submissions after the formal closing date of 25 March 2004. A list of submissions appears at **Appendix 1**.

Hearings and Evidence

1.7 The Committee held one public hearing at Parliament House, Canberra, on Thursday, 1 April 2004. Witnesses who appeared before the Committee at that hearing are listed in **Appendix 2**.

1.8 Copies of the Hansard transcript are tabled for the information of the Senate. They are also available through the internet at <http://aph.gov.au/hansard>.

2 House of Representatives, *Hansard*, Mr Ross Cameron MP, 19 February 2004, p. 25239.

CHAPTER 2

SCHEDULES 7, 10 AND 11 OF THE BILL

Background to the Schedules

2.1 Schedules 7, 10 and 11 to the Taxation Laws Amendment (2004 Measures No. 1) Bill 2004 ('the Schedules') all relate to the tax treatment of charities. However, the three schedules deal with different broad issues, and must be considered separately. This chapter outlines the background to and provisions of each schedule.

Schedule 7 – Deductions for donations where a minor benefit is received

2.2 Currently, gifts to charities classified as 'deductible gift recipients' (DGRs) above a certain value are tax deductible. However, as the law currently stands, a contribution ceases to be regarded as a 'gift' if anything of material value is received in return for the contribution. This schedule, if enacted, would allow tax deductibility for contributions where the donor receives a benefit of 'minor value' in return.

Background to Schedule 7

2.3 The Prime Minister's Community Business Partnership (PMCBP) is a body which was established in 1999, for the purpose of 'advising and assisting the Government on initiatives to develop and promote a culture of corporate and individual social responsibility.' Its membership includes the Prime Minister, the Minister for Family and Community Services, the Executive Director of Philanthropy Australia, and a range of Board Chairs and Chief Executive Officers of large corporate entities.

2.4 One of the Partnership's goals is 'identifying and addressing incentives and impediments to philanthropy.'¹ To that end, on 19 July 2003 then Minister for Family and Community Services, Senator the Hon Amanda Vanstone, released a call for submissions seeking new ideas for encouraging philanthropy.² Submissions closed on 15 August 2003.

2.5 On 9 September 2003, the Prime Minister made the following announcement, based on the advice of the Prime Minister's Community Business Partnership:

From 1 July 2004 individuals will, in certain circumstances, be able to receive a tax deduction for the net amount of a donation made to a deductible gift recipient, which has an associated minor benefit. The

1 Department of Family and Community Services, *Prime Minister's Community Business Partnership Fact Sheet*.

2 Media release, *Wanted: New Ideas to Encourage Philanthropy*, Senator the Hon Amanda Vanstone, Minister for Family and Community Services, 19 July 2003.

deduction will be available for cash donations above \$250, where the value of the benefit received by the donor is no more than 10 per cent of the donation or \$100, whichever is less.³

2.6 A similar recommendation to Government arose from the recommendations of the *Report of the Contemporary Visual Arts and Craft Inquiry* (the 'Myer Report'), a report commissioned in 2001 by then Minister for Arts and the Centenary of Federation, the Hon Peter McGauran MP, to examine 'key issues impacting on the future sustainability, development and promotion of the sector.'⁴ The Myer Report stated that 'donors should be permitted to receive some small acknowledgment for the gift, and that the law should be amended to permit benefits of a limited nature, including naming rights'.⁵ It made the following recommendation to this effect:

Amend the philanthropy provisions to clearly state that an advantage or benefit received by donors does not prevent their ability to receive a tax deduction, provided the benefit does not exceed a specified limit.⁶

2.7 The Explanatory Memorandum to the bill notes both the PMCBP and the Myer Report as factors influencing schedule 7 of the current bill.⁷

Provisions of Schedule 7

2.8 This section provides a summary of the proposed provisions. However, the Committee commends the Explanatory Memorandum to interested parties. The Explanatory Memorandum contains substantially more detail, and a large number of worked examples illustrating the provisions.

2.9 The most substantial amendments in schedule 7 are contained in item 2, which amends the table contained in section 30-15 of the *Income Tax Assessment Act 1997* (ITAA 1997). Section 30-15 is entitled 'Table of gifts or contributions that you can deduct'. The table provides four types of information:

- the type of recipient;
- the type of gift or contribution;
- how much you can deduct; and
- special conditions.

3 Media Release, *Government Delivers on New Initiatives to Encourage Philanthropy*, The Hon. John Howard, MP, Prime Minister, 9 September 2003.

4 *Report of the Contemporary Visual Arts and Craft Inquiry*, June 2002, p. 21.

5 *Report of the Contemporary Visual Arts and Craft Inquiry*, June 2002, p. 336.

6 *Report of the Contemporary Visual Arts and Craft Inquiry*, June 2002, Recommendation 20.6, p. 342.

7 Explanatory Memorandum, p. 45.

2.10 The current bill would add additional items to the table in section 30-15, to cover deductible contributions where a minor benefit is received by the contributor. The four column headings from the table in s.30-15 therefore provide a convenient basis for summarising the provisions in the current bill.

Type of recipient

2.11 The bill does not propose new categories of deductible gift recipients. Rather, it relies upon the definitions contained in items 1 and 2 of the table. These items, in turn, refer to other sections of the ITAA 1997. For the purposes of the current report, it is sufficient to note that an entity which is a deductible gift recipient for the purpose of the ITAA 1997 as it currently stands, will also be deductible gift or contribution recipients for the purposes of the current bill.

Type of gift or contribution

2.12 Two distinct types of contribution will be eligible under the bill. The first type relates to a contribution made in return for attendance at a fund raising event. The second type relates to a contribution made by way of a successful bid at a charity auction.

2.13 The provisions relating to a contribution made in return for attendance at a fund raising event are as follows:

A contribution of:

- (a) money, if the amount is more than \$250; or
- (b) property that you purchased during the 12 months before making the contribution, if the lesser of:
 - the market value of the property on the day you made the contribution; and
 - the amount you paid for the property;is more than \$250; or
- (c) property valued by the Commissioner at more than \$5,000, if you did not purchase the property during the 12 months before making the contribution;⁸

[...]

2.14 Therefore, in slightly more simple terms, for a contribution to be deductible under this item, it must either be a cash contribution of more than \$250, property less than 12 months old and worth more than \$250, or property more than 12 months old worth more than \$5000 (and must meet the other conditions set out below).

8 Schedule 7, Part 1, Item 2, line 11, column 2.

2.15 For contributions made at charity auctions, the provisions are slightly simpler, because only cash contributions are eligible. The provisions allow the following form of contribution to be deductible:

A contribution of money, if:

- (a) the amount is more than \$250; and
- (b) the contribution is not a gift; and
- (c) you made the contribution by way of consideration for the supply of goods or services; and
- (d) you made the contribution because you were the successful bidder at a [charity] auction ...⁹

2.16 Therefore, for a contribution to be eligible, it must be a winning bid of more than \$250 at a charity auction (and must meet the other conditions set out below).

How much you can deduct

2.17 For each of the types of contribution above, the provisions of the bill allow for a deduction equalling the cash value of the contribution¹⁰ less the GST inclusive market value of the charity event or the good bought at auction, on the day of the charity event or auction. The Explanatory Memorandum provides a simple example which shows how these provisions would work:

Karen pays \$260 for a ticket to a charity film screening organised by a DGR. The film is open to the public and ordinarily retails for \$13 a ticket. As part of the charity screening, Karen is offered a glass of champagne and some finger food. The market value of the event is \$25. Karen can claim a deduction for \$235 (\$260 less \$25).¹¹

Special conditions

2.18 The bill contains a number of special conditions establishing the detailed parameters for the scheme. In the case of contributions made in return for attendance at a fund raising event, the restrictions may be summarised as follows:

- if the contribution is in the form of cash or property purchased in the last 12 months, then the 'GST inclusive market value' of the benefit received must not exceed 10% of the amount of the contribution, or \$100, whichever is less;
- if the contribution is in the form of property purchased more than 12 months ago (and therefore worth more than \$5000), then the value of the benefit received may be no more than \$100;

9 Schedule 7, Part 1, Item 2, line 11, column 2.

10 The bill contains specific provisions for calculating the cash value of contributions of goods.

11 Explanatory Memorandum, p. 49, Example 7.2.

- if the contribution is in the form of property purchased more than 12 months ago (and therefore worth more than \$5000), then the contribution must be such that, if the benefit of attendance at the fund raising event were not received, the contribution would already be deductible under another part of s. 30-15;
- the donor must be a natural person (not a company); and
- a single donor may not deduct more than two contributions to the same fund raising event.

2.19 Similar conditions apply to a contribution made as a successful bid at a charity auction:

- the 'GST inclusive market value' of the benefit received must not exceed 10% of the amount of the contribution, or \$100, whichever is less;
- the contribution must be such that, if it were made as a gift and not as an auction bid, the contribution would already be deductible under another part of s. 30-15; and
- the donor must be a natural person.

Schedule 10 – Endorsement of charities by the Tax Commissioner

2.20 Currently, many charities, public benevolent institutions and health promotion charities are permitted to self-assess their eligibility for various tax concessions (particularly related to Fringe Benefits Tax and the GST). This schedule proposes new arrangements where such charities must seek the endorsement of the Tax Commissioner for their tax concessions. The system therefore moves from self-assessment to assessment by the Australian Tax Office.

Background to Schedule 10

2.21 Schedule 10 emerges from the *Report of the Inquiry into the Definition of Charities and Related Organisations* (the Charities Definitions Inquiry Report, or CDI Report), which was presented to Government in June 2001. The CDI report identified the following problem:

Prior to 1 July 2000, charities were allowed to self assess their income tax status and did not need to apply to the Australian Taxation Office (ATO) for income tax exemption. The same self assessment process applied to entities claiming eligibility for DGR status. The Government now requires that entities be 'endorsed' by the ATO for Income Tax Exempt Charity (ITEC) status and DGR status. Once endorsed, they receive official advice from the ATO which indicates under which particular provision in the legislation they have been approved. For example, an endorsed DGR may be informed that they are a 'public benevolent institution' under item 4.1.1 of the gift provisions of the Income Tax Assessment Act 1997 (ITAA97).

The ATO has advised the Committee that the endorsement process does not apply to all concessions available to charities and related entities. In particular, there is no requirement that charities be 'endorsed' to be able to claim GST concessions, nor for PBIs to be 'endorsed' to be able to claim FBT concessions. These entities can continue to self assess their eligibility to access these concessions.

The endorsement of an entity for ITEC or DGR status is a once off assessment by the ATO. There is a legal obligation on endorsed entities to advise the ATO if there is any change in their circumstances which would mean they cease to be entitled to endorsement, but there is no accountability requirement for them to provide the ATO with financial statements or other reports on a regular basis.¹²

2.22 The CDI Report then formulated the following response to this issue:

The Committee is of the view that consideration should also be given to expanding the reach of the endorsement provisions. It adds to the perception of inconsistency that an entity can access the GST concessions available to charities by self-assessing its charitable status, but be required to seek endorsement by the ATO to claim an income tax exemption. Similarly, an entity requires endorsement to be a DGR, but can self-assess its PBI status in order to claim FBT concessions. Consistency could be improved by extending the 'endorsement' process to cover access to all Commonwealth taxation concessions.¹³

2.23 The Treasurer presented the Government response to the CDI Report on 29 August 2002. The Treasurer's press release stated:

Charities and other not-for-profit organisations are pivotal members of society. In order for them to be able to continue to contribute fully, they need to be able to participate in a wide range of activities including, at times, commercial activities. The Inquiry recommends that commercial purposes should not deny charitable status where such purposes further, or are in aid of, the dominant charitable purposes or where they are incidental or ancillary to the dominant charitable purposes. The Government agrees with this recommendation, but is concerned to ensure that the taxation concessions provided to charities are not abused. The Government has therefore decided that from 1 July 2004, charities, public benevolent institutions and health promotion charities will be required to be endorsed by the Australian Taxation Office in order to access all relevant taxation concessions. Depending on the character of the charity, these concessions are the income tax exemption as a charity, refundable imputation credits,

12 *Report of the Inquiry into the Definition of Charities and Related Organisations*, June 2001, pp. 275-276.

13 *Report of the Inquiry into the Definition of Charities and Related Organisations*, June 2001, p. 289. Also see Recommendation 26 on p. 294.

deductible gift recipient status, the FBT rebate, the \$30,000 capped FBT exemption and GST concessions.¹⁴

2.24 Schedule 10 of the current bill implements this announcement.

Provisions of Schedule 10

2.25 Schedule 10 is a long and complicated schedule, primarily because of the number of consequential and technical amendments which must be made to various taxation acts in order to give effect to the policy decision outlined above. The core provisions, however, are contained in Item 41 of Schedule 10. Item 41 inserts into the *Taxation Administration Act 1953* a new Part, Part 5-35, entitled 'Registration and similar processes for various taxes.'

Division 426

2.26 Part 5-35 contains one Division, Division 426, entitled 'Process of endorsing charities and other entities'. All of the sections discussed below fall within this Division.

2.27 Section 426-5 in the bill outlines the various tax provisions for which charities require endorsement in order to gain concessional treatment. These, in turn, reflect the consequential changes made in earlier items of Schedule 10. The result is that the endorsement process outlined in Division 426 will be common to a range of provisions under GST, FBT, and Income Tax legislation.

Process for seeking endorsement

2.28 Subdivision 426-B outlines the process for seeking endorsement. Section 426-15 notes that 'an entity may apply to the Commissioner for endorsement' by submitting an application in a form approved by the Commissioner.

2.29 The Commissioner then has 60 days in which to consider the application [s.426-20(3)]. However if, during that 60 days, the Commissioner requires further information from the applicant, the deadline for a decision will be the 28th day after the applicant provides the information to the Commissioner [s.426-20(3)(a)].

2.30 If that period expires prior to the Commissioner having made a final decision, the application may (at the applicant's discretion) be considered as having been refused, in which case the applicant may seek a review of the refusal. Section 426-35 notes that the review process for this decision would be in accordance with other refusal processes under the Tax Administration Act, found in Part IVC of that Act.

14 Press Release, *Government Response to Charities Definition Inquiry*, the Hon Peter Costello MP, Treasurer, 29 August 2002.

2.31 Once the Commissioner has made a decision regarding an application, the Commissioner must notify the applicant in writing [s.426-25] and (if the decision is to grant an endorsement) specify a starting date for the endorsement [s.426-30].

Auditing and revoking endorsements

2.32 Section 426-40 gives the Commissioner information-seeking powers in order to allow an organisation's continued eligibility to be assessed. The Commissioner may under this section require an organisation to produce documents relevant to establishing its continued eligibility. If the organisation fails to do so, its endorsement may be revoked.

2.33 Section 426-45 requires an endorsed organisation to notify the Commissioner as soon as the organisation ceases to be entitled to be endorsed. That is, as soon as it fails to meet the relevant criteria, an endorsed organisation must notify the Commissioner in order that its entitlement may be revoked.

2.34 Section 426-55 provides the Commissioner with the power to revoke endorsements under three circumstances:

- when the organisation is not eligible;
- if the organisation has refused to supply information in accordance with s.426-40, discussed above; and
- if the organisation has not issued proper receipts for gifts claiming a deduction under the *Income Tax Assessment Act 1997*.

Australian Business Register

2.35 Finally, section 426-65 requires that organisations endorsed in accordance with Division 426 be listed on the Australian Business Register, and that the Register carry a statement that the organisation is so endorsed.

Schedule 11 – Specific gift recipients

2.36 A range of specific gift recipients, which are not eligible to be DGRs under normal criteria, but which are acknowledged as performing philanthropic work for the public good, are listed in the *Income Tax Assessment Act 1997* (ITAA 1997). Schedule 11 of the current bill adds three new organisations, and extends the eligibility period for one currently-listed organisation.

Country Education Foundation of Australia

2.37 Item 1 of the schedule proposes to insert the Country Education Foundation of Australia Limited into the table in subsection 30-25(2) of the ITAA 1997. This table lists specific recipients in the field of education. The listing would take effect from 20 August 2003.

2.38 The Country Education Foundation provides young rural people with 'a bursary and self-help program that gives both financial and community support to those leaving school'.¹⁵ The Minister for Revenue and Assistant Treasurer, Senator the Hon Helen Coonan, announced the Government's intention to list the Country Education Foundation of Australia as specific gift recipients in a press release in August 2003. That press release stated:

The Country Education Foundation develops community foundations that provide grants to young people to help with the cost of getting started with accommodation, buying books and the myriad of costs facing a young student when they leave home.

The Foundation is a practical effort to deal with the social and demographic issues rural Australia faces and tax deductibility status will enable the Foundation to continue its good work.¹⁶

Crime Stoppers South Australia

2.39 Item 2 of Schedule 11 proposes to insert Crime Stoppers South Australia Ltd into the table in subsection 30-45(2) of the ITAA 1997. This table lists specific recipients in the field of welfare and rights. The listing of Crime Stoppers SA would take effect from 19 September 2003.

2.40 The Crime Stoppers SA internet site outlines its purpose as follows:

Crime Stoppers is operated by a dedicated police unit which receives information that could result in the prevention or solving of crime in South Australia. It was launched in South Australia in July 1996 and since then information from the public has directly resulted in over 10,000 crimes being solved. Stolen or unlawfully obtained property valued in excess of \$3.1 million has been recovered. Calls from the public have led to the arrest of alleged offenders from crimes such as murder, arson, armed robbery, sexual assault, stealing, break-ins, vandalism, drug trafficking and firearms offences.¹⁷

2.41 Minister Coonan announced the Government's intention to list Crime Stoppers SA in the ITAA 1997 in a press release on 19 September 2003. In the press release the Minister stated:

Crime Stoppers works effectively as a partnership between the police, the media and the community and is recognised as a world leader amongst crime stoppers programs in the management and outcomes of its programs.

15 Submission 5, Country Education Foundation of Australia, p. 1.

16 Press Release, *Gifts to Country Education Foundation of Australia Ltd*, Senator the Hon Helen Coonan, Minister for Revenue and Assistant Treasurer, 20 August 2003.

17 www.crimestopperssa.org.au

Tax deductible gift status will help Crime Stoppers attract public support for their activities which help make our communities safe.¹⁸

Bowral Vietnam Memorial Walk Trust Incorporated

2.42 Item 3 of Schedule 11 proposes to extend the eligibility of the Bowral Vietnam Memorial Walk Trust Incorporated ('the Memorial Trust'). The Memorial Trust is already listed in the table in subsection 30-50(2) of the ITAA 1997. This table lists specific recipients in the field of defence. As the Act stands, the Memorial Trust's eligibility as a DGR ended in August 2003. The current bill proposes to extend its eligibility until August 2005.

2.43 In its submission to this inquiry, the Memorial Trust stated:

The Bowral Vietnam War Memorial ... was commenced nine years ago. In that time it has developed into the major Vietnam War Memorial in New South Wales. [...]

It consists of an avenue of cherry trees, a large monument inscribed with the names of 526 Australians killed in the Vietnam War plus other symbols of Australia's participation in the war.¹⁹

2.44 Minister Coonan announced the extension of the Memorial Trust's eligibility on 15 December 2003. In a press release she stated:

The extension of the Trust's tax deductible gift status is recognition of the vital contribution made by those who served in the Vietnam war.

Continuation of tax deductible gift status will help attract more public support for the Trust's activities and help continue the valuable work it does for the Bowral and surrounding communities.²⁰

2.45 In its submission, the Memorial Trust expresses a wish to become eligible indefinitely:

We would prefer Deductible Gift [status] to be granted in perpetuity as there is always the possibility of an annual annuity being given to the Trust to help provide for the future of the Memorial. Without Deductible Gift Recipient status we would not be eligible for this or any other similar financial assistance.²¹

2.46 The Committee notes, however, that there are a large number of Memorial Trusts listed in s.30-50(2), and it is the custom to provide an end date on their

18 Press Release, *Gifts to Crime Stoppers South Australia Inc Tax Deductible*, Senator the Hon Helen Coonan, Minister for Revenue and Assistant Treasurer, 19 September 2003.

19 Submission 1, Bowral Vietnam Memorial Walk Trust, pp. 1-2.

20 Press Release, *Gifts to the Bowral Vietnam Memorial Walk Trust*, Senator the Hon Helen Coonan, Minister for Revenue and Assistant Treasurer, 15 December 2003.

21 Submission 1, Bowral Vietnam Memorial Walk Trust, p. 1.

eligibility. In this way the Government focuses its support on the construction of these memorials rather than their maintenance.

Dunn and Lewis Youth Development Foundation Limited

2.47 Item 4 of Schedule 11 proposes to insert the Dunn and Lewis Youth Development Foundation Limited ('the Foundation') into the table in section 30-105 of the ITAA 1997. This table lists specific recipients which do not fit into any other category. The listing of the Foundation would take effect from 10 November 2003 and would remain in force until 9 November 2005.

2.48 Craig Dunn and Danny Lewis were among the victims of the Bali bombing in October 2002. The Foundation has been established to provide community facilities in their memory. In October 2003, the Sydney Morning Herald described the project in the following terms:

With the proposed construction of a youth entertainment centre in their memory, the names of Craig Dunn and Danny Lewis will be known by generations of local children who will grow up with more options for play than they ever had.

Craig's mother Gayle is the driving force behind a multi-million dollar project to build a bowling alley, auditorium, vocational training facilities and memorial garden, dedicated to the boys but for the benefit of the entire community.

The plans for the 1.4 hectare site, on Crown land Mrs Dunn expects to lease, show 3600 square metres of floor space including a 500-seat auditorium, stage, gymnasium and commercial kitchen.

At present there is nothing like it in the district, and there will probably be no Bali memorial quite like it.²²

2.49 Minister Coonan announced the Government's intention to list the Foundation as a DGR in November 2003. She stated:

The Foundation will build a complex to serve as both a memorial and a vocational training centre to link young people in Ulladulla with traineeships and other employment opportunities.

The complex will be invaluable to the community both as a reminder of the two boys and as a recreational and educational outlet for people in the Ulladulla region.²³

22 'Positive Future Built on Grief', *The Sydney Morning Herald*, 4 October 2003.

23 Press Release, *Government Assistance for Bali Memorial*, Senator the Hon Helen Coonan, Minister for Revenue and Assistant Treasurer, 10 November 2003.

CHAPTER 3

ISSUES AND RECOMMENDATIONS

3.1 A number of issues emerged in submissions and evidence before the Committee. While the Committee did not receive any evidence opposed to the bill, a number of submitters and witnesses raised issues with regard to specific provisions. These issues are considered in this chapter.

Issues relating to Schedule 7

3.2 Three issues were raised in relation to Schedule 7. These issues were:

- the parameters defining which contributions may be treated as deductible;
- the difficulty of appropriately valuing the benefit to the contributor; and
- the restriction of the bill to individuals as donors.

Parameters of the Schedule

3.3 Under the bill's provisions, contributions are only deductible if they meet certain conditions. These conditions were described at some length in chapter 2. In short, under most circumstances the donation must be of at least \$250 in cash or property, and the value of the benefit received must be no more than the lesser of \$100 or 10 per cent of the contribution.

3.4 A number of submitters suggested that these parameters would be very difficult to meet, with the result that very few donors may be able to take advantage of the bill's provisions. In evidence, Professor Coates from the Cancer Council set out the difficulty:

Schedule 7 has to be welcomed because it comes from a zero base—that is, we are proposing in schedule 7 to allow some deductions under some circumstances, even if a small benefit is received. I suppose that is good. But it will not be much use to us—none at all at the federal level, because we do not do such fundraising—and only to a very limited extent do our members in the states. It seems to me that the arithmetic has been aimed at the wrong end of town. Most of our supporters are middle Australians and it is very hard to make a dinner that is worth eating for less than \$25 or \$30, and we cannot get people to pay \$250 or \$300 a plate. So we will always be over the 10 per cent benefit limit and those things will usually fail. I understand from an email I received this afternoon that that is not understood by some of my members. We have no objection to schedule 7.

We just hope that, if it were made a little more generous, it might be of some use to us.¹

3.5 Other submitters made a similar point. ACROD, the National Industry Association for Disability Services, stated in its submission:

... it is of concern that the practical application of the proposed legislation will be severely limited. This would be an unfortunate outcome for the Government and a lost opportunity to enhance the community benefits that would otherwise flow from the initiative.²

3.6 The Motor Neurone Disease Association of Victoria related a similar point with respect to charity auctions:

Our experience has been that most auctions raise about 20% to 30% above the retail price plus GST of the item for items valued between \$100 and \$1000. As we have usually been able to have the item donated, all the receipts are profit to the Association. However, the bidder will not bid up to 10 times the value.³

3.7 Other organisations, including the Australian Conservation Foundation and the Australian Council of Social Service made similar points in their submissions and evidence.⁴

3.8 Senators raised this issue with officials from Treasury, who gave the following rationale:

The first [reason for the current parameters] is to ensure that the benefit is minor in both a relative and an absolute sense. To be minor in a relative sense the benefit would need to be a small proportion of something that was itself relatively large. The second is ... to ensure that organisations that predominantly rely on gifts of cash of amounts smaller than that do not come under any—‘pressure’ may be too strong a word—sense of obligation or competition from other organisations seeking to raise funds that they should also provide some benefit.⁵

3.9 Treasury explained the rationale for the 10 per cent value threshold in the following terms:

the application of the threshold set out in the schedule ... allows some distinction between someone who may pay a little above the retail price because they think the organisation which they are going to buy the good

1 *Transcript of evidence*, Coates, 1 April 2004, p. 8.

2 Submission 4, ACROD, p. 1.

3 Submission 7, Motor Neurone Disease Association of Victoria, pp. 3-4.

4 ACF Submission 9; ACOSS Submission 11.

5 *Transcript of evidence*, Barron, 1 April 2004, p. 21.

from is worthy of support and someone who makes what they regard as a donation and receives something very minor in return.⁶

3.10 The Committee recognises the concerns of the charities in relation to this issue. However, the rationale set out by Treasury is convincing. As the law stands, no contributions made in return for a minor benefit are deductible. As a result, while the benefit associated with the current bill may be less than the charities hoped for, it will still provide a benefit that is currently unavailable.

Valuing the benefit received

3.11 Under the bill, a charity that receives a contribution in return for a benefit of minor value will be required to indicate, on the receipt given to the contributor, the value of the benefit. This may pose a challenge for some charities. The Motor Neurone Disease Association of Victoria, for instance, demonstrated some concerns about its ability to appropriately value benefits:

Where the minor benefit is a meal, the value of that product can be clearly assessed by examining the cost of provision of the meal plus GST.

Similarly, the value of a holiday purchased at auction can be clearly assessed by the cost of providing a similar holiday at commercial rates.

However, how is the value of an item, that has some personal addition to the underlying item, assessed? For example, a Real Madrid soccer shirt has a cost of \$120. Through connections, David Beckham signs the shirt. The shirt sells for \$5000. What is the GST inclusive market value of the item?

The ATO must provide some guidance on the mechanism to determine the value of items, particularly where the value of a commercially available item is enhanced through a charitable endeavour.⁷

3.12 Treasury officials gave some indication of how charities would meet this responsibility:

They will be required to make a reasonable estimate of the value of the benefit. That could be on the basis of what exactly that benefit would cost if it were purchased on the market, what a similar or like good would cost on the market or, if it is truly unique, then some cost based approach.⁸

3.13 The explanatory memorandum provides a substantial amount of guidance, including worked examples, on this issue. While some witnesses noted that the list of examples is not completely comprehensive⁹ the Committee still considers that the guidance provided by the explanatory memorandum is substantial. The Committee further noted Treasury's advice that 'we would expect that the Taxation Office will be

6 *Transcript of evidence*, Barron, 1 April 2004, p. 21.

7 Submission 7, Motor Neurone Disease Association of Victoria, p. 3.

8 *Transcript of evidence*, Barron, 1 April 2004, p. 21.

9 *Transcript of evidence*, Watkinson, 1 April 2004, p. 18.

in a position to work with organisations that need further assistance once the bill is passed into law'¹⁰

Restriction to individual donors

3.14 The bill proposes to restrict deductibility to donations from individuals (i.e. natural persons, not corporate entities or trusts). Donations from companies or other organisations will not be eligible. A number of submissions argued that this restriction should be removed. ACROD, for instance, noted:

By limiting the deduction to individuals, an opportunity to encourage corporate philanthropy is lost. It should be noted that should this initiative be extended to corporations, to the extent of the value of the benefits provided, no tax deductions would apply for entertainment (or fringe benefits tax would apply, if provided to an employee or associate). Only the amounts paid in excess of the value of the benefits provided would be deductible.¹¹

3.15 The Motor Neurone Disease Association of Victoria made a similar statement:

Most individuals of high worth (i.e. the people who bid at charity auctions) conduct their affairs through companies.

Companies are allowed to make deductions for gifts of money and stock under Section 30-15. If the benefit accrues to the company of purchasing meals or auction items at a charity event, it seems difficult to argue that they are not able to claim a donation in accordance with the provisions of this section.¹²

3.16 Officers from Treasury provided additional information outlining the rationale for this restriction. In particular, they noted that if the provisions were extended to companies, they would generally be redundant:

For businesses, expenditure such as that envisaged under the Schedule, falls for consideration under the general deduction provisions of the income tax law. Specifically, expenditure necessarily incurred in carrying on a business is already deductible under section 8-1 of the *Income Tax Assessment Act 1997*.¹³

3.17 The Committee is satisfied with Treasury's explanation of this restriction.

Issues relating to Schedule 10

3.18 A number of issues were raised with respect to Schedule 10. These were:

10 *Transcript of evidence*, Barron, 1 April 2004, p. 21.

11 Submission 4, ACROD, p. 2.

12 Submission 7, Motor Neurone Disease Association of Victoria, p. 4.

13 Additional information, Department of the Treasury, 7 May 2004, p. 1.

- the timing of this bill and the forthcoming charities bill;
- transitional issues from the current self-assessment scheme;
- the complexity of the application process; and
- the treatment of religious bodies.

This bill and the proposed charities bill

3.19 The Government is in the process of developing a bill to implement the core recommendations of the *Report of the Inquiry into the Definition of Charities and Related Organisations*. A proposed 'Charities Bill 2003' has been released by the Board of Taxation as an exposure draft, but has not yet been introduced into either house of Parliament. This proposed bill, in its exposure draft form, deals with the precise definition of a charity for use 'in any Act'¹⁴ (therefore, including in the Income Tax Assessment Act).

3.20 The explanatory memorandum to the current bill notes that schedule 10 also emerged from the *Report of the Inquiry into the Definition of Charities and Related Organisations*.

3.21 A number of submitters suggested that Schedule 10 in the current bill should not commence until the Charities Bill, if introduced and passed, also commences. The Australian Council of Social Service, for instance, stated:

The endorsement process [contained in schedule 10] will deepen the concern and confusion surrounding the *definitions* of charitable and public benevolent status, which have not yet been resolved through legislation as the *Charity Definitions Inquiry* recommended two and a half years ago. The latest stage of this process ended with the finalisation of the Board of Taxation's consultations with charities into the draft *Charity Definitions Bill 2003* late last year. The many charities that participated in that consultation are still waiting for news of the Board's recommendations, and the Government's response [...] the administrative mechanisms for regulating access to charitable tax concessions are being finalised, while the fundamental and problematic issue of who is entitled to them in the first place is left hanging in the air. This order should be reversed. At the least, a revised *Charity Definitions Bill* should be considered in advance of Schedule 10 of the current Bill.¹⁵

3.22 The Council of Social Service New South Wales stated:

NCOSS considers that the draft Bill should be delayed until the Government publicly releases, debates and settles on the full suite of policies and legislative changes associated with the *Report of the Inquiry*

14 Charities Bill 2003 exposure draft, s. 4.

15 Submission 11, ACOSS, pp. 2-3.

into the Definition of Charities and Related Organisations. In this way a comprehensive approach to the definition and associated tax treatment of registered charities (RC) and public benevolent institutions can be undertaken. We believe that a piecemeal approach of changing the taxation laws without first settling on a contemporary and inclusive definition of charities would be most unsatisfactory. Legislating changes to the tax system now would create confusion in the non government sector and it could be perceived as pre-empting the Government's position on the definitional aspects of charitable status.¹⁶

3.23 Officers from Treasury disagreed with this view, stating:

Our view would be that the issues raised in schedule 10 and the issues in the charities definition bill are largely separate. The requirement to be endorsed as a charity has existed since 1 July 2000. This bill is not introducing that requirement, and the charities definition bill is only concerning itself with the definition of charity and not with the definition of the organisations which are being brought under the endorsement umbrella through the provisions in this bill.¹⁷

3.24 While the Treasury view may be accurate in a formal sense, the Committee noted that the two pieces of legislation do intersect in important ways. For instance, the current bill proposes to insert section 176-1 into the ITAA 1997. Subsection 176-1(2) states that 'An entity is entitled to be endorsed as a charitable institution if the entity: (a) is a charitable institution; and (b) has an ABN.'

3.25 The proposed Charities Bill includes, in section 4 of the exposure draft, a definition of a 'charitable institution' to apply to any Act. As a result, it seems clear that the administration of the current bill will be substantially affected by the provisions of the forthcoming Charities Bill.

3.26 The Committee noted, however, that the Government does appear to intend that both pieces of legislation should commence on the same date, 1 July 2004. This is apparent from section 2 of the current bill, and section 2 of the exposure draft.

3.27 The Committee is concerned, however, that if the proposed Charities Bill is not passed in time to commence on 1 July 2004, the provisions of the current bill would become operative based on the definitional *status quo*. This does not appear to be the Government's intention. As a result, the Committee considers that the link between the commencement of the two bills should be made explicit, and that schedule 10 of this bill should not commence unless and until the charities bill commences.

16 Submission 6, Council of Social Service NSW, p. 6.

17 *Transcript of evidence*, Barron, 1 April 2004, p. 20.

Recommendation 1

The Committee recommends that section 2 of the bill be amended so that item 8, column 2 of the table in section 2 reads 'Immediately after the commencement of the *Charities Act 2004*'; and so that the entry in item 8, column 3 of the table is deleted.

Self-assessment and grandfathering

3.28 A number of submitters raised concerns about the impact of schedule 10 on organisations which have self-assessed their eligibility for tax concessions under the current arrangements, but which risk losing this status under the proposed endorsement arrangements.

3.29 Witnesses suggested that some organisations may risk losing their tax exemptions as a result of the charity adopting a different interpretation of the exemption guidelines than that adopted by the Commissioner. ACOSS stated:

There is no doubt that a significant number of both charities and PBIs are at risk of losing their status if a conservative interpretation is made of the existing law ... Whether it happens as a result of this bill or ordinary ATO reviews, it is difficult to say.¹⁸

3.30 These differences of interpretation, witnesses suggested, do not arise from charitable organisations attempting to gain exemptions unfairly, but rather from the nature of current law, which one witness described as 'clear as mud.'¹⁹

3.31 Officers from the Treasury agreed that some organisations may lose their tax exemptions, but noted that that 'Organisations that have incorrectly self-assessed have not had their status revoked because they have never had status.'²⁰

3.32 The Committee considers that evidence on this issue underlines the importance of having this bill and the forthcoming Charities Bill commence simultaneously, either in accordance with the current provisions, or in accordance with recommendation 1 of this report.

Complexity of applications

3.33 Schedule 10 of the current bill states that applications for endorsement 'must be in a form approved by the Commissioner.'²¹ While these forms are not yet available, the Committee considers that the ATO should note evidence received in relation to the current process for endorsement as a DGR:

18 *Transcript of evidence*, Davidson, 1 April 2004, p. 4.

19 *Transcript of evidence*, Davidson, 1 April 2004, p. 4.

20 *Transcript of evidence*, Ransley, 1 April 2004, p. 23.

21 Schedule 10, item 41, s. 426-15(2)(a)

When we started to knock on the doors of the various foundations, it became very evident that without the tax status we were always going to be severely limited and curtailed in our ability to expand. That is why we pursued it. We started this endeavour nearly four years ago. I noticed you were talking about legislation. I just hope there is something in there for a procedures manual for this process for aspiring applicants for this process because it is one big challenge.²²

3.34 The Committee recognises that the application process for the current measure must provide the Commissioner with sufficient information to ensure the integrity of decision-making. However, the application process should not become so onerous that eligible organisations, particularly those reliant on volunteers, are deterred from applying.

Religious Institutions

3.35 Mr John Wardle, Special Counsel, Corrs Chambers Westgarth, made a submission which expressed concern about the status of religious institutions under the arrangements proposed in s.10. His submission stated:

On our reading of this Bill and the Explanatory Memorandum which accompanies it, we do not think that the provisions of Schedule 10 are really intended to apply to religious institutions as distinct from other types of charities. Division 50 of the ITAA 1997 provides an exemption from income tax for charitable institutions and religious institutions under items 1.1 and 1.2 respectively of the table in section 50-5. However, whereas endorsement is a special condition of exemption of income for a charitable institution, this is not specified for a religious institution, refer section 50-52. However, we understand that because the advancement of religion is one of the four heads of charity, the Australian Taxation Office regard a religious institution (except the contemplative orders) as a charitable institution requiring endorsement under sub-division 50B. We submit that this should not be the case, given that a religious institution is a separate category of exemption under section 50-5.²³

3.36 During its hearing on this reference, Committee put these concerns to officials from Treasury, who undertook to seek advice from the Australian Government Solicitor. That advice has been provided to the Committee. The summary of the advice is as follows:

In our view, the effect of the Bill is that a religious institution that is also a charitable institution will be required to be endorsed by the Commissioner in the same manner as any other charitable institution to be entitled to any of the various tax benefits. In our view, this is already the case for income tax exemption.²⁴

22 *Transcript of evidence*, Burton Taylor, N, 1 April 2004, p. 14.

23 Submission 10, Corrs Chambers Westgarth, p. 1.

24 Additional Information, Advice from AGS to Treasury, 23 April 2004, para. 5.

3.37 For the purposes of this discussion, it is useful to observe three different categories of entity:

- entities which are charitable institutions but not religious institutions;
- entities which are religious institutions but not charitable institutions; and
- entities which are both religious institutions and charitable institutions.

3.38 Both the Corrs Chambers Westgarth submission²⁵ and the AGS advice²⁶ agree that in almost all cases, the latter two categories overlap. That is, 'religious institutions will generally also be charitable institutions as the advancement of religion is one of the four heads of charity at common law.'²⁷

3.39 At present, the endorsement process for income tax exemptions operates so that any organisation which is both a charitable institution and a religious institution must seek endorsement in order to obtain the tax benefit. This occurs because the institution is a charitable institution – regardless of how else it might concurrently be classified. The current bill would extend this principle to the other forms of tax concession which will become subject to the Commissioner's endorsement. To obtain the benefits, religious institutions which are also charitable institutions must seek endorsement. It is clear from Treasury's additional information that this is not inadvertent, but a deliberate policy decision:

The application of Schedule 10 would therefore mean that organisations that are both a charity and a religious organisation would be required to be endorsed to access the concession ... This is consistent with the intention of the schedule to require charities to be endorsed for all concessions even where they could otherwise access the provision as another type of entity.²⁸

3.40 Finally, the Corrs Chambers Westgarth submission observed:

as there are many manifestations of the major Churches, such as different religious orders, Parishes, liturgy groups and so on, there will be difficulties in ascertaining which parts of the Church need to apply for endorsement if endorsement is to be a pre-requisite to accessing the various concessions.²⁹

3.41 While this is so, the Committee observes that many organisations, both large and small, will be required to make an assessment of whether they would qualify for the tax concessions, and whether they should apply. There is little to distinguish religious institutions from other organisations in this regard.

25 Submission 10, Corrs Chambers Westgarth, p. 1.

26 Additional Information, Advice from AGS to Treasury, 23 April 2004, para. 6.

27 Additional Information, Advice from AGS to Treasury, 23 April 2004, para. 6.

28 Additional information, Department of the Treasury, 28 April 2004, p. 2.

29 Submission 10, Corrs Chambers Westgarth, p. 1.

3.42 The Committee is therefore satisfied that the concerns raised in the Corrs Chambers Westgarth submissions have been met, and that the requirement for religious institutions which are also charitable institutions to seek endorsement is an intended effect of the bill.

Issues relating to Schedule 11

3.43 The Committee did not receive any evidence opposing the listing of Crime Stoppers South Australia or the Dunn and Lewis Youth Development Foundation as specific gift recipients. The Committee did not receive any evidence opposing the extension of the listing period for the Bowral Vietnam Memorial Walk Trust. Accordingly, the Committee supports these provisions.

3.44 Concerns were, however, expressed regarding the listing of the Country Education Foundation of Australia (CEF). In the House of Representatives debate on this bill, Mr David Cox MP, the Assistant Shadow Treasurer and Shadow Revenue Minister, stated:

Labor is concerned that the conduit nature of the Country Education Foundation means that it could be used to provide parents with income tax deductions for their children's educational expenses that are not available to other taxpayers.³⁰

3.45 The Committee understands that Mr Cox's concern was that donors could make hypothecated donations to the CEF. That is, a donor could make a donation to the CEF (and claim a tax deduction on that donation) on the understanding that the donated funds would then be returned as a scholarship to the donor's own child or other nominated recipient.

3.46 The Committee drew Mr Cox's speech to the attention of the CEF, and invited the CEF to appear before the Committee. The CEF also provided a submission. Mr Nicholas Burton Taylor, Chairman of the CEF, stated in evidence that he had also met with Mr Cox to discuss his concerns.³¹

3.47 Mr Burton Taylor outlined the following response to these concerns:

The linkage of someone saying, 'We want to educate a child in a particular way and if we give you X amount of money we want X out,' firstly, has not arisen. Secondly, because we publish all the names of the people in the local community paper and the ABC radio usually announces them, there is very strong community involvement in the beneficiaries. In our town if someone were seen to give an advantage there would just be a holocaust. It is self-balanced. Small communities have a way of cutting down tall poppies or dealing very quickly with anyone seeking advantage or rorting the system. In addition to that, all our grants are means based. We ask

30 House of Representatives, *Hansard*, Mr David Cox MP, 4 March 2004, p. 25357.

31 *Transcript of evidence*, Burton Taylor, N, 1 April 2004, p. 15.

people for some guidance as to their capacity. We are not pushy on that, but we get some guidance and, because they are small communities, most people know how people are travelling anyway. That is where our resources go. I do not think there would be any reason for anyone who had the funds to look after their offspring to come to us. They would service it the way they normally would. If they had the capacity, they just would not get the funds through the criteria that we operate to.³²

3.48 He also noted that many of the grants provided by the CEF were for items such as tools which would be tax deductible in any event.³³ This would remove the benefit associated with a hypothecated donation.

3.49 In addition, the Committee noted that the CEF itself is an umbrella organisation. Grants are not issued by the CEF, but by local organisations. These local organisations are separate from the CEF, and would therefore not benefit from tax exempt status:

We provide seed funding for the first three years, which tapers off after three years. We, as the master fund—if I can call it that—or the mother fund, do not provide anything to specific grants. We will provide a certain quantity of money in the establishment phase to a town and then they follow through their selection process, which is two-tiered—they have a selection process and then a board—to make particular recommendations.

[...]

Ninety per cent of their funds come from local endeavours that have nothing to do with us once they are up and running [as] ... about 12 to 15 now are. So they will not come to us and say, 'We have raised this money through a local function and we want a tax deduction for it,' because they are not entitled to it and we are not matching donations that they are given at the local level. There is a clear break between the local organisation financially and us.³⁴

3.50 As a result, the Committee considers it is impossible as a matter of logic for a donor to abuse the tax exempt status of the CEF. The CEF itself does not issue grants to young people. Local organisations under the CEF umbrella are the granting bodies. As a result, it would not be possible for a donor to make a donation on the basis that the CEF would 'steer' a grant to their nominated recipient.

3.51 Finally, and in a more general sense, the Committee noted advice from Treasury officials that the ATO 'have released a relevant ruling which covers what conditions on a gift would prohibit it from being a gift anymore and says a

32 *Transcript of evidence*, Burton Taylor, N, 1 April 2004, p. 15.

33 *Transcript of evidence*, Burton Taylor, N, 1 April 2004, p. 15.

34 *Transcript of evidence*, Burton Taylor, N, 1 April 2004, pp. 15-16.

requirement or a guarantee that it be used in a certain way would prohibit a gift from being deductible.³⁵

3.52 As a result, the Committee considers that listing the CEF as a deductible gift recipient would not facilitate donors whose purpose in making a donation was to obtain an unfair tax deduction. The Committee therefore considers that Schedule 11 should be passed.

Recommendation 2

The Committee recommends that the Senate Pass this bill, amended to accommodate the recommendation contained in this report.

Senator George Brandis
Chair

AUSTRALIAN DEMOCRATS

MINORITY REPORT

The Australian Democrats note the efforts made by Treasury to impose limits to ensure that the provisions of Schedule 7 do not become open to abuse, and to ensure that they do not result in pressure on charities to compete with one another in terms of the benefits they may provide to contributors.

However, we also recognise the compelling evidence put to the Committee by charities, which suggests that those limits may result in the bill's provisions being seldom used, and therefore providing little real benefit to charities.

We consider that the threshold limiting the value of the benefit to the lesser of \$100 or 10 per cent of the contribution is sensible. We do not propose to alter that threshold.

However, we consider that a lower threshold should be set for the value of the contribution. A minimum donation of \$100, restricted to cash donations, in return for a benefit valued at \$10 or less, would seem to be consistent with Treasury's concerns for the integrity of the tax system, but would enable more contributions to qualify for a deduction. To borrow from Professor Coates' terms, it would orient the bill more towards the 'right end of town.'

Recommendation

The Australian Democrats recommend that Schedule 7 be amended to state that the minimum contribution of cash qualifying for a deduction be \$100.

We continue to be concerned at the failure to implement the recommendations of the *Report of the Inquiry into the Definition of Charities and Related Organisations*. The lack of progress in this regard results in serious weaknesses in advancing regulation and law to ensure the integrity and efficiency of the charitable services sector.

Senator Andrew Murray

Appendix 1

SUBMISSIONS RECEIVED

Submission Number	Submittor
1	Bowral Vietnam Memorial Walk Trust
2	Independent Schools Council of Australia
3	Crime Stoppers (SA) Inc.
4	ACROD
5	Country Education Foundation of Australia
6	Council of Social Service of New South Wales
7	Motor Neurone Disease Association of Victoria
8	The Smith Family
9	Australian Conservation Foundation
10	Corrs Chambers Westgarth
11	Australian Council of Social Service (ACOSS)
12	Queensland Aids Council
13	The Uniting Church in Australia - NSW Synod
14	Anglicare Australia
15	St Vincent de Paul Society National Council of Australia Inc
16	Peter Thomas Chartered Accountant and Tax Adviser
17	National Association of Community Legal Centres (NACLC)
18	Domestic Violence Victoria
19	Australian Major Performing Arts Group

Appendix 2

PUBLIC HEARING AND WITNESSES

THURSDAY, 1 APRIL 2004 - CANBERRA

BARRON, Ms Christine, Manager, Individuals Tax Unit
Individual and Entities Tax Division
Department of the Treasury

BURTON TAYLOR, Mr Nicholas, AM, Chairman
Country Education Foundation of Australia

BURTON TAYLOR, Mrs Julia, Executive Director
Country Education Foundation of Australia

COATES, Professor Alan Stuart, Chief Executive Officer
The Cancer Council of Australia

DAVIDSON, Mr Peter Andrew Geoffrey, Senior Policy Officer
Australian Council of Social Service

GALLO, Ms Alix, Senior Adviser, Individuals Tax Unit
Individual and Entities Tax Division
Department of the Treasury

McCALLUM, Mr Andrew George, President
Australian Council of Social Service

RANSLEY, Ms Kim, Adviser, Individuals Tax Unit
Individual and Entities Tax Division
Department of the Treasury

WALKER, Mrs Catherine Verlie, Executive Officer
Country Education Foundation of Australia

WATKINSON, Mr Benjamin, Company Secretary
The Smith Family