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The Secretary
Senate Economics Legislation Committee
Room SG.64
Parliament House
CANBERRA ACT 2600

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22 April 2004

re: Tax Laws Amendment (2004 measures No.1) Bill 2004

Dear Sir / Madam,

Thank you for the opportunity to comment on this Bill. NACLCL requests clarification on two points in Schedule 10 of this Bill.

The Tax Bill provides that entities that have already been endorsed prior to 1 July 2004 will be taken to have made the new applications required by the Tax Bill for endorsement as an ITEC, DGR or both. The Tax Bill continues to provide that the Commissioner will also have taken the entity to have made applications for the new FBT and GST endorsements.

The Explanatory Memorandum to the Tax Bill implies that the Commissioner will endorse these entities for the FBT and GST endorsements that it is eligible for automatically. The words of the Tax Bill do not make this clear. It is also unclear whether the Commissioner will notify the entities of the success/failure of the deemed endorsements. Clarification is sought on these two points.

NACLCL does, however, continue to have a number of concerns in relation to the issues foreshadowed in the Draft Definition of Charities document circulated in 2003, which we understand is not part of the Tax Laws Amendment Bill 2004. These concerns are mainly in relation to the attempt to limit advocacy work undertaken by Charities if the Draft Charities Definition was to be adopted.

We therefore endorse the comments made by ACOSS in response to questions made by Sen. Andrew Murray when giving evidence before the Committee on 1 April 2004. For NACLCL the key issue for clarification is the Definition of Charity. We recommend that Schedule 10 of this Bill be removed and considered with any future Bill that seeks to define a Charitable organization.

Yours sincerely,

Julie Bishop
Director