EXPOSURE DRAFT – CHARITIES BILL 2013

BACKGROUND

The Australian Government is undertaking widespread reform in the not-for-profit sector.

It announced in the 2011-12 Budget that it would introduce a statutory definition of charity, applicable across all Commonwealth laws.

As part of the consultation process a Paper was released in 2011 for comment on the proposed statutory definition of charity.

The Government has released an exposure draft of the Charities Bill 2013. Feedback on the Bill is due by Friday 3 May 2013.

CHARITIES BILL 2013 – KEY POINTS

Under the Bill the statutory definition of charity will commence on 1 January 2014. This extends the previously announced start date of 1 July 2013.

A charity is defined as an entity that is ‘not-for-profit’ and has charitable purposes that are for the ‘public benefit.’

Section 7 outlines the purposes which are presumed to be for the public benefit. The purpose of ‘advancing education’ is one such purpose.

Significantly, the Explanatory Memorandum specifies that ‘Advancing education’ includes:

- the provision of formal education through preschools, schools and tertiary education institutions, including the provision of building and related educational facilities;
- vocational training such as farming or technical training;
- research directed towards expanding human knowledge and made publicly available;
- less formal education aimed at the development of citizenship and core life skills;
- the support of education, such as through the provision of prizes and scholarships, noting the interaction with public benefit; and
- the provision and support of facilities and services integrally associated with the operation of education institutions, such as parent organisations.

AISSA ACTIONS

The AISSA will write on behalf of the sector welcoming the specific inclusion of ‘advancing education’ in the Charities Bill 2013 and emphasising the importance of this inclusion to Independent schools which are registered charities.

The AISSA will continue to monitor the progress of the Bill and advise member schools of any developments.

FURTHER INFORMATION