



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



**THE SENATE**  
**EXTENSION OF CHARITABLE**  
**PURPOSE BILL 2004**

**In Committee**

**SPEECH**

**Wednesday, 23 June 2004**

BY AUTHORITY OF THE SENATE

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## SPEECH

**Date** Wednesday, 23 June 2004  
**Page** 24656  
**Questioner**  
**Speaker** Cherry, Sen John

**Source** Senate  
**Proof** No  
**Responder**  
**Question No.**

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**Senator CHERRY** (Queensland) (10.28 am)—I want to ask the minister a question about these provisions. We are discussing playgroups, but we are also discussing the substantive bill, which concerns the issue of the tax concessions for child-care groups generally. I would be interested to know why, when the minister keeps indicating that the proposed inclusion of playgroups in the definition of a charity will make little difference to their status, we are bothering with child-care groups generally.

I ask the minister: could she explain in some detail exactly what the changes to tax arrangements are for child-care groups generally as a result of the passage of this bill. My understanding is that at the moment in terms of GST, as a non-profit organisation, a child-care group does have an entitlement to the higher threshold for non-registration for GST but it does not have access to the input tax credits as a full charitable organisation. I also understand that as a non-profit organisation it would be exempt from income tax, so income tax is not really affected by this bill, but I am a little bit unclear, because I have not read my briefing papers for some years on this matter, about the impact on fringe benefits tax. I would be interested in exactly what the impact of this bill would be generally on FBT and GST.