



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) (10.31 am)—The minister half answered my question. I am sorry to tie up the chamber on this point but I am still unclear as to what the benefits of this bill will be for child-care providers. The minister gave us some good information on the definition of a child-care provider but not on actually what the benefits would be. As I recall, child care itself is zero rated under the GST—I might be wrong about that but that is my recollection. I would be interested to know what the benefit of this bill will be for child care generally in terms of shifting from a non-profit entity to a charitable entity.

As the minister would be aware, the area of non-profits and charities is an incredibly complicated area of tax law because you have the smallest category of non-profit, the broader category of charities, the broader category of gift deductible entities and then the nirvana of the public benevolent institution. The minister would be aware that the Democrats have pushed for many years to get this whole area clarified and improved. At this time I would like to understand quite clearly for our listeners out in radio land exactly what the difference between a charity and a non-profit is for the purposes of tax law.