



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



THE SENATE
EXTENSION OF CHARITABLE
PURPOSE BILL 2004

**Consideration of House of
Representatives Message**

SPEECH

Thursday, 24 June 2004

BY AUTHORITY OF THE SENATE

SPEECH

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Page 25079
Questioner
Speaker Cherry, Sen John

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Senator CHERRY (Queensland) (12.36 pm)—The Democrats will not be insisting on this amendment to the Extension of Charitable Purpose Bill 2004 because this bill as a whole provides a modest benefit to charities and we do not want it held up at this particular point in time. As the minister outlined when we last considered this bill, the actual question of what benefit flows to playgroups as a result of shifting from tax-exempt status as a nonprofit organisation to a charity is somewhat unclear but fairly minor. Ultimately it relates to GST fundraising concessions, particularly in respect of raffles, dinners and things like that. They are a fairly minor aspect, although it is something which we would prefer to see passed on.

I express the view that I believe a playgroup almost certainly is a charity and we probably do not need this definition. In doing so, I go back to the report of the charities definition inquiry. At page 206 it talked about the issue of private benefit versus public benefit, and one of the problems with child care as such was that it was providing a private benefit to the parents by providing a child-care situation. The committee considered that there was a need to extend charities in that area because that private benefit also had a community benefit element. But the issue of playgroups is very much about the development of the child and the development of social and learning skills. I think that fits into a different category of the charitable definition altogether. The committee said:

In the Committee's view, the provision of learning and development opportunities for children in a child care environment is clearly directed towards a long term public benefit, which is well acknowledged in the common law interpretation of the public benefit of education.

I would have thought that if a playgroup actually applied for charitable status from the government it would be provided purely on the basis that playgroups are providing a learning and development environment for children. That is probably the key issue here.

Child care and playgroups are in some respects different. Playgroups almost certainly at this stage are included by and large in the definition of charities, and I would certainly encourage the government to give favourable consideration to any applications they receive from playgroups in that regard and also any applications they receive from playgroups for gift deductible entity status, which I understand is an issue you will be addressing shortly.

From that point of view, the Democrats will not be insisting on the amendment. We think this legislation has to go through without too much difficulty. I would point out to Senator Conroy that, in terms of the benefit provided by this bill for the parents of children in playgroups, the benefits provided by getting GST exemptions on their fundraising activities are a lot less than the cost of paying extra for pharmaceutical benefits when they go to the doctor with a sick child with a runny nose or another disease and they have to pay an extra \$4 to \$5 a script at the chemist shop every afternoon. If the Labor Party are deeply concerned about the cost of children and the cost of raising children, then they should not have done the backflip we saw in this place last night. Certainly from the Democrats' point of view at least we have some consistency in terms of saying that children are a matter which we need to be concerned about. I would note for the record that the Democrats lobbied the government very successfully last year to include children in the bulk-billing incentives under the MedicarePlus package for children up to the age of 16. It is worth noting that the extra \$5 per visit bulk-billing incentive—not included in Labor Party policy—was something that the Democrats successfully persuaded Tony Abbot to include. So before we get any lectures from the Labor Party about increasing the costs of raising children I would remind them that anything that flows out of this decision today will be more than overwhelmed by what parents are going to face in increased drug costs when looking after sick children.