



3 May 2013

Manager, Philanthropy and Exemptions Unit
Indirect Philanthropy and Resource Tax Division
The Treasury
Langton Crescent
PARKES ACT 2600

Via email: charities@treasury.gov.au

Office of the Chief Executive
Alex Malley, FCPA

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Dear Sirs

Exposure Draft: Charities Bill 2013

CPA Australia welcomes the opportunity to comment on the Exposure Draft: Charities Bill 2013 and the accompanying Explanatory Material (ED). CPA Australia is one of the world's largest accounting bodies and represents the diverse interests of more than 144,000 members in finance, accounting and business in 127 countries throughout the world. Our vision is for CPA Australia to be the global professional accountancy designation for strategic business leaders. We make this submission on behalf of our members and in the broader public interest.

CPA Australia is pleased to note that many of the concerns raised in our submission dated 12 December 2011 (attached) in response to the previous *Consultation Paper – A Definition of Charity* have been addressed in the draft bill. As a general comment we believe that the ED represents a measured response to codifying much of the common law doctrines relating to the concept of charity. We recognise that the proposed legislation employs new terminology which we expect will be interpreted reasonably and applied appropriately by relevant regulators including the Australian Charities and Not-for-profits Commission (ACNC).

We particularly note that the components of the statutory definition of charity, including “charitable purpose” and “public benefit” introduce a number of new terms. We presume this is in order to allow for a degree of flexibility to develop the statutory definition further over time. However, some ambiguity can arise as a result of new terminology (e.g. “benefit is tangible or intangible”, “disregard any benefit that is not identifiable”, and “benefit must be of real overall value to the public”). We recommend further clarification be provided on how to interpret these terms when determining an entity's charitable status (or otherwise) by including examples/case studies, either in the proposed Bill or in the Explanatory Material.

If you require further information on any of our views expressed in this submission, please contact Ram Subramanian, CPA Australia by email at ram.subramanian@cpaaustralia.com.au.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Alex Malley', with a flourish at the end.

Alex Malley FCPA
Chief Executive

cc: M Shying
M Morris