

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

3 May 2013

Dear Sir/Madam

Exposure Draft: Charities Bill 2013

We write in support of the submission made by Changemakers Australia concerning the draft Charities Bill 2013. The Reichstein Foundation is a member of Changemakers Australia, which is an umbrella organization of foundations and trusts working for significant and long-term change through partnerships with Australians experiencing disadvantage and discrimination. Changemakers is led by individuals with decades of experience in Australian philanthropy.

The Reichstein Foundation was established by the Melbourne industrialist, Lance Reichstein, in 1970 and has provided many millions of dollars to charitable organizations dedicated to tackling the elimination of discrimination and oppression based on gender, race, class, sexual orientation, disability or age. We have also had a strong focus on environmental issues and have supported numerous projects directed at restoring the health of the planet for future generations.

Over the past 40 years, the Reichstein Foundation has emerged as a leader in the charitable field through addressing deeply embedded structural inequalities – our work seeks the reform of the causes of disadvantage rather than just addressing the symptoms which manifest in society.

We therefore welcome the Exposure Draft of this Bill. The Bill is essential at a time of uncertainty in the charitable sector following the Aid/Watch case and the introduction of the Australian Charities and Not for Profits Commission. We strongly support the passage of the Bill in the coming session of Parliament.

We welcome clarification around the issue of charitable involvement in advocacy following the Aid/Watch case. We believe that the wording of this section of the Exposure Draft is consistent with the findings of the High Court and will provide a more certain basis for the philanthropic sector to engage in

advocacy activity related to the charitable purposes outlined in the legislation. To advance public welfare and to ensure charitable dollars are used effectively, it is essential that foundations and philanthropies can legitimately support the advocacy activities of organizations that they fund. This is part of the mandate that the charitable sector has – to promote the common good and to ensure all citizens have the right to economic and social participation.

Like Changemakers we do not support the inclusion of “the purpose of promoting or opposing a political party or a candidate for political office” as a disqualifying purpose. This prohibition does not reflect the principles of the decision in Aid/Watch and does not reflect sound policy. There are many good reasons for including charities in Australian political discourse, including their representation of the marginalised and their awareness of relevant policy issues and the consequences of implementation. All other sectors of the Australian society, including business and unions, can legitimately participate in the political process, often for their own narrow interest rather than a larger purpose – no compelling reason has been advanced as to why charities should be prohibited.

We believe the legislation would benefit by being more explicit about the potential role of charitable activity in advancing social solidarity and the connections between citizens, government and communities. We therefore suggest that the legislation should be expanded at Section II, Part 3 to include charitable purposes devoted to “advancing citizenship and community development” and “alleviation of poverty”.

We welcome the opportunity to comment on the Exposure Draft and again urge the Government to work with the Parliament to ensure the Bill is enacted prior to the Federal Election on September 14, 2013. Please do not hesitate to contact me on 0417 331 767 or 03 9614 0919 if more information is required regarding our submission.

Sincerely

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Executive Officer

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