



The Hon Peter Costello MP
Treasurer
House of Representatives
Parliament House
CANBERRA ACT 2600

Dear Sir

RE: CHARITIES DEFINITION INQUIRY

I am writing in relation to recent announcements that as a response to the Charities Definition Inquiry legislation is to be introduced that may result in the change in charitable status of some organisations if they participate in advocating for changes in Commonwealth Government policy.

As the President of the Young Women's Christen Association (YWCA) of Darwin I am concerned that any changes to the current legislation without full and open community and Public Benevolent Institution sector consultation may prove harmful to our ability to meet our stated purpose to *provide opportunities for women to develop their full potential, express our concern for the whole community in responsible action and strive to achieve peace, justice and freedom for all people.*

The YWCA of Darwin operates many successful programs that assist disadvantaged and homeless women and youth in the greater Darwin area. A major component of these programs is to lobby Governments, both Commonwealth and State, for additional financial funding and/or legislative/policy changes to improve the quality of life of our target client groups. As an integral part of our ethos we cannot eliminate the advocacy role that we play. Without our voice many of the disadvantaged that we support would not be heard at all and their situation would become more desperate than it already is.

The YWCA of Darwin can only operate as it does though its status as a charity due to much of our funding support being reliant on our charitable status. Having sufficient funding to fulfil our purpose is always an issue. Charitable status, and the few financial benefits this brings, is critical to our operational survival.

As a result of limited financial resources the YWCA of Darwin is unable to offer salary packages that are competitive with mainstream organisations. Being able to offer incentives such as exemption to Fringe Benefits Tax (FBT) for the first \$30,000 of grossed-up salary is a major benefit for the attraction and retention of suitably qualified staff. Loosing our charitable or public benevolent status would of course mean that we would loose our FBT exemption status.

Loosing our charitable status would also impact on our exemption to pay income tax. Again, this would seriously affect our ability to offer the services we do to the disadvantaged of Darwin. We recognise that the YWCA of Darwin is a not-for-profit organisation and that it may be seen to be an advantage, when conducting commercial activities, to not have to pay income tax. However, any surplus funds generated through our limited commercial activities are committed in total to supporting our programs for disadvantaged women and youth.

In conclusion I would like to reinforce that organisations like the YWCA of Darwin must have the ability to advocate on behalf of the disadvantaged and those that cannot undertake this role themselves. We take pride in our ability to assist those that are less fortunate. While it is often difficult to make a difference through advocacy it is an essential role that must be seen by governments as one that is constructive and informative rather than being obstructionist and political. Those charitable and public benevolent institutions that advocate for the disadvantaged must not have the threat of loosing their status hanging over their every move. This reduces the already limited assistance provided to those who have the greatest needs within our community.

I would be more than happy to provide further information on the activities of the YWCA of Darwin. Please do not hesitate to contact the Executive Director, Ms Barbara Henry or myself on telephone (08) 8981 8323.

Yours sincerely

Danyelle Bodaghi

President

Tuesday, 12 August 2003

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