

INTERVIEW WITH JON FAINE

ABC 774, MELBOURNE

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8:50AM

SUBJECTS: Victorian Bushfire Fund

FAINE:

Senator Sherry good morning

SHERRY:

Good morning Jon and good morning to your listeners.

FAINE:

What's been achieved with the charitable tax laws?

SHERRY:

Well..

FAINE:

Over the course of the last weeks, since we posed to you that this was surely time to move on it.

SHERRY:

Yes well it is and I'm pleased to announce this morning as well as run through the detail of the various changes to tax law that will now be made. As you've indicated there has been a lot of discussion, certainly since I have gotten involved in the last four or five weeks with Christine and Bill and we're now in a position to announce in detail the range of changes to what's known as a Charitable Purpose Test to allow the fund to make a wide range of payments as it determines, through the changes that I am announcing this morning.

FAINE:

So what actual difference does it make in terms that people will understand please?

SHERRY:

Okay let me run thorough the practical issues. Firstly date of effect retrospective until the 29th January, all fires during that dreadful Victorian fire season, including Delburn will be covered by the law which will be retrospective. A couple of broad principals; the primary consideration of the fund remains the provision of assistance to individuals and communities in re-establishing a thriving and socially inclusive town or community.

Practical issues- as a consequence of these changes; the fund can provide for long term assistance to orphaned minors without the need for annual assessments of their health. Secondly..

FAINE:

For as long as they are under eighteen?

SHERRY:

Yes for as long as they are under eighteen.

FAINE:

Right thankyou.

SHERRY:

When you turn eighteen obviously you're an adult. Providing reimbursements for individuals or organisations for performing charitable activities.

FAINE:

Regardless of their means?

SHERRY:

Yes that's correct.

FAINE:

Right.

SHERRY:

Discretionary payments of up to fifteen thousand dollars to assist households for the period in which they were in or are in transitional housing. Now this for example; if you are in temporary accommodation you may incur additional travel costs, a whole range of costs associated

with transitional housing until you move back into permanent housing and so the fund can give a discretionary payment..

FAINE:

So an extra fifteen thousand dollars for anybody who lost their home?

SHERRY:

Up to fifteen thousand dollars and that is determined by the fund.

FAINE:

And for primary producers?

SHERRY:

And for primary producers, a grant of up to ten thousand dollars for repair and restoration of farm activities, including re-fencing. And importantly for farmers they often use the legal structure of a trust and that has been a particular legal problem and we're establishing what is called a Look Through Provision. So if a family has a farm in the trust, they will be covered as well.

FAINE:

Now is that to reimburse you upon proof of receipts or anything like that or is it just up to ten grand, apply for it we will give it to you?

SHERRY:

The up to ten thousand dollars is the parameter that the tax law allows. The individual assessment, paperwork etc is a matter for the fund.

FAINE:

But the fund couldn't even entertain those requests before and now it at least can.

SHERRY:

It couldn't entertain a request from farmers..

FAINE:

None for fencing at all.

SHERRY:

For any sort of money for what was seen as a commercial activity. So that impediment is now removed.

FAINE:

Alright why has it taken so long?

SHERRY:

Well, the tax law in this area is particularly complicated.

FAINE:

Six months.

SHERRY:

Charitable purposes are a particularly complex role. I started looking at this issue in great detail five weeks ago and I've, together with Bill Shorten and Christine Nixon have spent a great deal of detailed time. I have a list in front of me of the vast range of various support services, some of them quite complex that we needed to work through in great detail.

FAINE:

Well, I'm delighted it's been done we have been pushing it for a very long time, it makes a difference of as much as maybe one hundred or one hundred and fifty million dollars and we will certainly speak to Christine Nixon about it when she joins us tomorrow at Strathewen. It's terrific it's been done but it's terrible that it took this long. Thankyou for your persistence at the end, thank you.

SHERRY:

Well thank you too and good morning to your listeners Jon