

**JOINT MEDIA RELEASE
WITH
THE HON BILL SHORTEN MP
PARLIAMENTARY SECRETARY FOR VICTORIAN BUSHFIRE
RECONSTRUCTION**

VICTORIAN BUSHFIRE APPEAL FUND

The Assistant Treasurer, Senator the Nick Sherry, and the Hon Bill Shorten MP, Parliamentary Secretary for Victorian Bushfire Reconstruction, today announced that the Rudd Government will amend Federal tax law to allow the Victorian Bushfire Appeal Fund (the Fund) to conduct a broader range of charitable and community activities.

"Following the horrendous and unprecedented 2009 Victorian bushfires, the community opened their hearts and their wallets and gave an extraordinary amount of financial support," said the Assistant Treasurer.

"The Rudd Government immediately provided \$2 million to establish the Fund and listed it as an entity under charity law, allowing donations to be tax deductible."

"Tax deductible donations are used strictly for charitable purposes – reflecting the community's expectation when they give money to a good cause."

"Today, in recognition of the truly unprecedented circumstances of the 2009 Victorian bushfires, I am announcing legislative changes that widen the permitted uses of the donations in the Fund, giving it the option of extra flexibility to support bushfire-affected communities as they recover and rebuild."

"I strongly believe that each of the new permissible uses passes the community's test of what they would want their donations spent on."

The changes, which will have retrospective effect from 29 January when the first fires commenced at Delburn, will be governed by a broad principle that outlines:

- the primary consideration of the Fund remains the provision of assistance to individuals and communities in towns and suburbs affected by the bushfires to ensure they are re-established to be thriving and socially inclusive; and
- the Fund will continue to make determinations consistent with the charitable expectations of

the donors, who made their donations in good faith.

Within this important principle the Fund will now be permitted, if it chooses, to:

- provide for long-term assistance to orphaned minors (under the age of 18 years) without the need for annual assessments;
- provide reimbursement to individuals or organisations for performed eligible charitable activities which the Fund has subsequently funded for other people in the same circumstances and which the Fund would have funded but has not simply because the needs were already provided for through other arrangements;
- provide a discretionary payment of up to \$15,000 to assist households for the period in which they are in transitional housing where such households have previously received a charitable grant from the Fund to assist in the reconstruction of their primary residence;
- provide a grant of up to \$10,000 to affected primary producers to use for repair and restoration of farm activities, including in re-fencing properties; and
- look through the legal structures in relation to the ownership of primary residences to provide assistance to families whose primary residence has been destroyed or damaged, such as where a farmer may have used a company or trust structure as the legal owner of their primary residence.

In addition, the legislative changes will allow the Fund, should it choose to do so, to undertake a range of community benefit projects. For spending to be eligible for Fund support, it will need to fulfil three requirements:

- the activity must be consistent with the purpose of an income tax exempt entity (as set out in Division 50 of the *Income Tax Assessment Act (Cth) 1997* (ITAA));
- the activity must have a broad public benefit, with wide public accessibility; and
- the activity must have no more than an incidental and ancillary commercial or private benefit.

Income tax exempt entities, as set out in Division 50 of the ITAA, include endorsed charities, local government bodies, community service organisations, sporting bodies, community and arts events and small business advisory assistance.

Today's decision follows a significant amount of support from the Rudd Government over the past six months.

This includes appointing a Parliamentary Secretary for Victorian Bushfire Reconstruction to spearhead reconstruction efforts and providing a range of financial and other assistance to individuals, families, businesses and communities affected by the fires.

"Today's changes are a further contribution by the Rudd Government to the reconstruction of bushfire-affected communities," Mr Shorten said.

"Australians gave incredibly generously in the aftermath of the bushfires to help their fellow citizens. This decision ensures their intentions can be put into practice."

"The Rudd Government has provided emergency payments, reconstruction grants and other assistance to bushfire-affected communities and individuals, and we will continue to support these communities as they rebuild."

CANBERRA
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