



MEDIA RELEASE

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CHARITY ON TRIAL: ATO TRIES TO BAN CHARITABLE ADVOCACY

The Australian Taxation Office is to appear in the Federal Court today, seeking to establish a test case against charitable advocacy. The ATO's case concerns AID/WATCH, a small charity that monitors Australia's international aid programs.

In October 2006 the ATO disqualified AID/WATCH as a charitable organisation. AID/WATCH appealed to the Administrative Appeals Tribunal and in July 2008 the AAT President, Justice Downes, overturned the ATO's decision and reinstated AID/WATCH's charity status.

AID/WATCH Management Committee Spokesperson, Dr. James Goodman said "The ATO now appealing to the Federal Court is treating this as a test case for the entire charitable sector".

"The ATO insists that unless an organisation directly delivers a service then it cannot be a charity. It argues that AID/WATCH is not a charity because its purpose is to monitor the aid program, not to deliver aid" said Dr. Goodman.

Dr Goodman commented that the ATO is out of touch, "Charities serve the public in a whole range of ways – only partly through direct assistance. They address causes as well symptoms of social problems. To do so they must be able to speak up without fear of penalty".

The Human Rights Law Resource Centre, together with the National Association of Community Legal Centres, has taken up the case. Their report to the March meeting of the United Nations Human Rights Commission, which is to assess Australian compliance with international human rights law, specifically cites the AID/WATCH case as a potential threat to freedom of expression.

"There is much at stake. If the ATO appeal to remove AID/WATCH's charitable status is accepted, other charities are under threat and if rejected, many non-government organisations currently not recognized as charities could become eligible" said Dr. Goodman.

Pro bono lawyer for the case, Anne Gooley of Maurice Blackburn Limited, said "This is a significant case. If the Federal Court rejects the ATO appeal, then charitable status may become available to a wider range of organisations that have not applied for charitable status because of the ATO's narrow approach to the definition of charities".

For Comment

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Further details can be found on the AID/WATCH website: www.aidwatch.org.au