

## OVERHAUL OF CHARITY LAWS IN THE UNITED KINGDOM

The UK Government announced on 26 November 2003 that it would publish a draft bill which will have a major impact upon charity law in the UK. This may have implications for Australia and may result in some review of the current draft of the Australian Charities Bill which is under discussion.

Some essential elements of the UK proposal:

- As in the Australian Bill, it is proposed that the UK Act will contain a new legal definition of charity based on a requirement to work for the “public benefit”.
- A separate Community Interest Companies Bill will create a new legal form for “not for profit” social enterprises. This may not be as relevant in Australia with our respective State Associations Incorporation Acts.
- The UK Bill will expand charitable status to human rights organisations and amateur sports clubs amongst others.
- It is proposed that the advancement of education be among the 12 key areas of public benefit thereby confirming the continued charitable status for private schools. However, they will be subject to a “public character check” to ensure that they benefit the wider community.
- Animal welfare and the provision of social housing will also be among the “public benefit” criteria.
- The UK Bill will require larger charities to provide more public information about their effectiveness, performance and finances.

Whilst these proposals have been well received in the United Kingdom, the current arrangements for charities in the UK are much more restrictive than in Australia. Were some of these proposals to be adopted in Australia they could cause significant problems for local charities.

It will be interesting to see if the Australian Government might now consider further changes to the draft Charities Bill.

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