



THE WEST AUSTRALIAN SOCIAL WORKER

President's Report

It seems like just yesterday I penned my first president's report and here we are two months on. It's been an interesting and busy two months for the Branch. The Committee of Management, with several newly elected members, is developing its own style of working together.

It's always interesting and exciting to watch a developing process and this one is no different! The goal of the new committee is to work effectively and efficiently to provide better advocacy for social work clients, input to social policy initiatives, enhance and support the profile of the profession and to provide quality services to members - not a small task! In the coming months each Committee of Management member will begin focusing on a particular portfolio or project area.

One new and important portfolio or project initiative will focus on the publicity and media area. For a long time the Branch has felt a need to ensure a more timely public response to social policy issues and media concerns. The Branch has also felt the need to "market" the profession and the Association in more positive and practice manner.

To do so, the Branch is developing a two pronged approach. Firstly, under the leadership of Chris Coopes, Vice President for Social Policy, we will be identifying strategies through the various social policy subcommittees to co-ordinate the Branch's response to requests for social policy comment. We also want to develop mechanisms for being more proactive in this area especially in relation to social policy issues and problems that impact on clients or on the profession.

Coupled with this initiative is the establishment of a Branch publicity/media subcommittee. That sub committee will provide advice and support to the Branch around making timely responses to media issues as well as helping us to find more effective and positive ways to "market" our profession, the Association and the issues that impact on our

clients. If you have a flair for marketing, publicity or media, please join the Branch's Publicity/Media subcommittee.

The notice for that subcommittee appears in this month's newsletter. Included in this year's Branch budget are funds to identify a media person who would be available to assist with media responses. This should provide a valuable addition to the work of the sub committee.

I want to draw your attention to the next CPE activity sponsored by the Branch. On the 15 and 16 November 1999 Suzanne Jenkins will be presenting a two day workshop *The Evaluation and Management of Risk with Sexual Offender*. Registration information is available from Liz Retamal on 9420 7240.

Remember that AASW sponsored CPE activities such as this one accrues double CPE points, so be sure and fill in your log book if you attend this training. (By the way you can accrue 5 CPE points by being a part of the Publicity/Media subcommittee!)

In closing, I note that the Committee of Management has accepted with regret the resignation of Maribelle Thomas from the Committee of Management. Maribelle has been a long standing member of the Committee of Management and formerly the Vice President for Education. Maribelle's commitment to the social work profession, the Association and to CPE is well known. We'll miss her involvement with the Committee of Management. Thanks, Maribelle for all your hard work and we look forward to your returning to the Committee in the future.

BARBARA MEDDIN

An online version of this newsletter can be found at
<http://westausaasw.highway1.com.au/>

CONSTITUTIONALISM IN AND FOR AN AGE OF DIVERSITY

BY PROFESSOR LAKSIRI JAYASURIYA

The Republican debate as generated by the two Referendum questions – the Preamble and the Head of State is, as Sir Ninian Stephen (1993) has correctly observed about constitutional reform, the sort of reforms advocated by the Constitutional Commission headed by Sir Maurice Byers in 1985/86 (Constitutional Commission 1987; 1988). Thus, contrary to the minimalist position advocated by some Republicans, the constitutional debate—a debate we had to have after 100 years of Federation—is not merely a question of replacing the Queen as Head of State with one who is wholly Australian; nor is it about grafting a new Preamble on to an ‘old Constitution’.

In this context, a critical issue—one often conveniently overlooked—that arises is whether we can continue to be ‘bound by a document framed by the Founding Fathers of Federation a hundred years ago’ (Hawke 1993). It was a document fundamentally driven by the need not just to create a federation of territorial units but also to set down the ground rules of governance and administration. While this ‘procedural constitution’ may have served us well in determining how we were to be governed according to the rich traditions of parliamentary democracy and political liberalism inherited from Britain, it falls short of being an expressive or ‘aspirational constitution’.

The questions we need to ask are: Does this procedural constitution meet our current needs? Does such a constitutional document equip us as a nation whose social and political texture is vastly different, to what it was in 1901, to confront the global realities of the next hundred years in a new millennium?

As we turn to celebrate 100 years of Federation, the Republican Debate highlights the critical importance of the constitutional document for the well being of Australian society in the foreseeable future. There is no doubt that the constitutional document holds the key to dealing with two distinct, but related, issues which confront us as a nation, viz. cementing social solidarity in a diverse and plural society and constructing a sense of Australian identity which creates a distinct space for us in the region we inhabit.

Some, especially those who subscribe to the ‘Three Cheers School of History’, have sought solidarity and social cohesion in a set of core values derived from the historic past. This was no doubt a determining consideration for those who helped to draft the Howard Preamble. The Preamble in the hands of its principal draftsmen—the holy trinity of Howard, Blainey and Murray—reflects an obsession with the preservation of unity and social cohesion and has endeavoured to construct a

shared national identity on the basis of a catalogue of core values. The primary objective of this endeavour has been to recreate an image of the Australian nation as a unified *cultural nation*; one cast in the form of a conjunction of race, nation and culture borrowed from a historic past. Underlying this construction is a religious commitment to a sense of nationhood and unity, which was markedly evident in the Australian national sentiment leading to the framing of the Australian constitutional document in 1901.

Sadly, the Howard Preamble which patronisingly makes reference to ‘immigrants’ and ‘cultural diversity’ pays scant heed to comprehending the meaning and significance of the contemporary reality of a diverse and plural society. Put simply, the Howard Preamble is unable to distance itself from the mythology of the historic past and its normative assumptions such as the belief that the commonality of race, culture or religion, taken singly or severally, are necessary for political and social cohesion. But the reality is that we have long outlived and outgrown this mythical historic past. Over the last few decades, we have moved away from being a monocultural, homogeneous society—a British

outpost often racist, diffident and unsure of our identity in alien surroundings—to become a rich and vibrant cosmopolitan and heterogeneous political community.

Regrettably, in framing the Preamble, we confront the proverbial political blindspot of the Prime Minister and his ‘think tank’ of advisers. This is—despite protestations about the commitment to cultural diversity—

none other than the denial of *difference*, of multiplicity and mixed identities, in a pluralistic community.

In brief, the Howard Preamble and the foreshadowed constitutional change singularly fails to grasp the significance of the profound social and political changes that have taken place in Australian society since the Founding Fathers framed our Constitution nearly one hundred years ago.

Any change to the Constitution—be it the Preamble or the Head of State—if it is to be relevant and meaningful to the destiny we face in the next century of the new millennium, must be seen as a shining example of the symbolic expression of constitutionalism *in and for* an age of diversity. To this end, the diversity and pluralism must be seen within the framework of a liberal democracy as a critical and significant element in determining the political foundations of a pluralistic society. To disregard such a symbolic expression of diversity as special pleading on behalf of interest groups—indigenous and non-indigenous—would be the height of political naivety and indeed, of political arrogance and irresponsibility.

"..the Howard Preamble and the foreshadowed constitutional change singularly fails to grasp the significance of the profound social and political changes that have taken place in Australian society since the Founding Fathers framed our Constitution nearly one hundred years ago."

The primary object of any constitutional reform must be to go beyond a 'procedural constitution' to an 'aspirational constitution', that is, one which enshrines the principles and values which makes us, who we are, and what we stand for as a nation. Importantly, as a truly multicultural nation we have to locate this emerging Australian identity in terms of the values and principles of a political community rather in a mirage of shared cultural values. Rather than engage in a futile and somewhat romantic endeavour of searching for imaginary shared cultural values as basis of an Australian identity it would be more realistic to locate the civic culture and the public virtues of our political culture.

Importantly, this civic identity in a diverse plural society provides a clue to our emerging Australian identity as a truly multicultural nation in the global village. Hence, the need to ask whether a 'procedural constitution' can portray and accommodate the needs and expectations of the social and cultural ethos of contemporary Australia. Clearly there is a need to frame a constitution which will give tangible and realistic expression in bricks and mortar to the principles and values that underline the civic culture and the sense of civic identity in a diverse plural community.

In defining the Australian nation as a diverse and plural society, we should endeavour to seek its unity and cohesion in the political consensus, not in a common culture, but in the agreed meanings and understanding of an Australian civic culture. It is in this context that the constitutional document acquires crucial significance in forging social solidarity and constructing our identity as a nation. The constitutional document is, above all, what gives legitimacy and meaning to our identity as a distinct nation, and at the same time, binds us through the principles and values it enshrines.

In brief, the constitution becomes the locus of the political culture we enjoy and treasure. This culture originates from our liberal democratic inheritance and enshrines the basic principles of a parliamentary democracy such as the rule of law, the spirit of tolerance in a culture of secular humanism and a community of equal rights-bearing citizens. It is these 'public virtues' of the civic culture, which provides the cement to bond us together and gives us a civic identity as an Australian nation. We do not require an arbitrary cultural identity or an artificial ethnic identity linked to ideas of ethnic descent of British stock or European ancestry to provide unity and social cohesion. In other words, it is this civic identity that defines and characterises the modern *Australian identity* in a diverse plural community.

The constitutional reform process, leading to a more 'aspirational constitution' is a complex and arduous task. In this process, two fundamental ideas, viz., that of *citizenship* and *equality* in a plural society, which sadly, have no place in our present Constitution, deserve priority and special consideration. Regrettably, the only reference made in the present Constitution is to 'British subjects' and 'subjects of the Queen'. We need, therefore to re-insert the concept of *citizenship* into the constitution, not simply as a legal status, but as a *differentiated citizenship* in a multicultural society which confers a sense of membership and belonging in a political community. The common citizenship we currently enjoy should be more than a legal status; it should

also be seen as conferring a sense of belonging and identity in a pluralistic social order. To this end, the prevailing idea of a common universal citizenship in the Australian civic culture needs to be renegotiated as a differentiated citizenship, i.e., as one which ensures that the badge of citizenship does not deny difference or repress multiplicity.

This commitment to a radical, differentiated, but inclusionary citizenship, in a civic republican sense becomes a form of identification which confers rights and responsibilities, all of which need to be guaranteed and protected in a constitutional document. Unfortunately, the Australian Constitution provides only very limited or minimal protection of the fundamental rights and freedoms which constitute the basis of our kind of liberal democracy. Although as a liberal democracy, we proudly claim to be a rights-based society, we have no constitutional safeguards for the protection of the rights of citizenship.

In this regard, Australia stands out as a notable exception as one of the few remaining countries in the liberal democracies of the Western World with no constitutional guarantee of fundamental human rights and no legislation to incorporate our human rights obligations – except indirectly through the external affairs powers of the Constitution, or at other times on the vagaries of the political process. Considering that the Blair Government in UK has in a notable decision provided for the equivalent of a Bill of Rights with the passage of the Human Rights Act (1998), it is apparent that the Australian approach to human rights is much weaker than in many other western liberal democracies. Indeed, as Prof. Hilary Charlesworth rightly observes, 'our present complacency about the protection of human rights is our greatest weakness' (Charlesworth 1994).

There is indeed a compelling case for us to devise ways and means to incorporate the rights element in our political culture. Given that on two previous occasions (once in 1973 and again in 1983) we failed to remedy this state of affairs via a Human Rights Bill, we need to make a more concerted and determined effort, now that we appear to have broad based support for a Republican Constitution. To this end, priority consideration must be given to the incorporation of a Bill of Rights or a Charter of Rights as in Canada (Murray Wilcox 1994).

The Canadian Human rights structure which provides for a constitutionally entrenched Charter of Rights is an enviable model which deserves serious examination in the Australian context (Charlesworth 1994). Admittedly, the scope and content of judicially recoverable rights needs careful scrutiny. This must form part of the debate we cannot avoid and must not avoid if we wish to be heard and respected as liberal democracy in the international community and more particularly in the region we inhabit.

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This is an edited version of a paper presented at the launch of the 'Yes and More Coalition' in Perth on 19 September 1999.

Publicity/Media Subcommittee

Want to help promote the social work profession?

Assist the AASW in providing a timely response to media issues?

Enjoy the company of other colleagues?

Why not join a small group of AASW members as part of the Publicity/Media Subcommittee.

For more information contact Barbara Meddin on 9350 7221.

OBITUARY

MARGARET SARGEANT

15/2/42 - 5/10/99

We at Royal Perth Hospital would like to pay tribute to Margaret's social work career with the following words:

Margaret's life was a celebration of human love, trust, strength, discernment, humour and forgiveness.

Margaret was a uniquely gifted social worker who somehow made everyone she dealt with feel special. A master of theory and practice she was also able to tap into and use her inner resources, intuition and creativity in her work with people. She talked about people as all having lessons for us to learn. She approached everyone with respect.

Margaret came to social work after a career as nurse and mother to her two children, Margot and Hugh. She brought with

her a special strength, courage, humility and caring that we saw so much of in her.

She studied at UWA in 1986 and 1987. Tom Barrett recalls with amusement his constant insistence to her, on her practicum at the Parent Help Centre, that she would make a good social worker even though her own humility caused her to doubt her skills in the beginning.

As a student Margaret was outstanding in her abilities. Gillian McFarlane recalls that during her practicum at Hollywood Repatriation Hospital, Margaret showed the capacity to work independently in medical social work within a month of her arrival.

It was at Hollywood that she commenced her first job as a social worker in February 1988. Margaret was viewed by her supervisors as a 'pioneer' or 'trail blazer'. She accepted the challenge to work in areas of social work that did not have clearly defined social work roles. Examples are the creation of a positive social work role in the surgical area and the development of a Cardiac Rehabilitation Group for patients and their families to discuss their experiences.

From October 1990 to February 1993 she worked in the Palliative Care Unit (PCU) at Hollywood, a natural choice for someone so deeply caring and able to empathise with the suffering of others. There she worked with Dr Rosalie Shaw and the PCU team in setting up a bereavement follow up program which Margaret ran in addition to her work with individual patients and their families. Margaret Robinson, one of the team at that time and currently Clinical Nurse Manager at PCU, recalls the good support that Margaret also provided to staff during this period, in helping them cope with work as well as personal matters.



Margaret's teambuilding skills were a major contribution and she was admired for her generous sharing of knowledge. This included a strong commitment to student education. It has been acknowledged by many that Margaret was an excellent teacher and role model.

After leaving PCU Margaret worked in 1994-1995 as a social worker at the Disability Services Commission in Fremantle. Margaret was known for her extremely competent social work practice and her superb interpersonal skills as a member of an interdisciplinary team. Here again, her support to staff is remembered and how, for example, she was often there to rescue staff from challenging situations at reception. Even though her time at DSC was relatively brief, she formed good and lasting working relationships and became a mentor for some social workers who later followed her to RPH!

Time moves on... Was the nurse in her perhaps leading her back to the health sector?

Margaret commenced at RPH early in 1995 as senior social worker in the Intensive Care Unit, one of the hospital's most challenging work settings dealing with trauma and crisis victims and supporting staff - a challenge which Margaret met so naturally and capably. For the patients and families that she worked with she was the source of a very strong, quiet energy, walking beside people through their difficulties and traumatic experiences.

Margaret's sense of conviction to the further development of trauma services led to her pioneer work in social work research as part of the new Trauma Clinic team. She was convinced of the need for the social work profession to make progress in research towards evidence based practice. To encourage research within the Department she established the Research Interest Group in 1998 after returning enthused from the International Conference in Health and Mental Health.

Margaret's continuing commitment to students and education saw her as the co-ordinator of the Department's Education (Professional Development) Committee as well as coordinator of student education and practicums within the Department.

In addition to her clinical work Margaret supervised one of the social work teams in the Department for 2 years. Not surprisingly, Margaret was as natural and skilled as a supervisor as she was a clinician. Her personal qualities, interpersonal skills, teambuilding skills, clinical social work skills and sense of humour, all contributed to the strength of her role as supervisor in an environment of crisis and change. The gold stars and freddo frogs kept many of her charglings afloat and her familiar words "now I command your full attention before we talk" cut tricky business down to the core immediately. Ultimately, she chose to return to full time clinical work which was her main passion.

Margaret's recent illness interrupted a full and rich social work contribution at RPH. She did not want a formal farwell but wanted to maintain strong links with the Social Work Department and these feelings were reciprocated by her colleagues.

A special thanks to the staff and volunteers of the Palliative Care Unit who have been so wonderfully supportive of Margaret over the entire period of her recent illness and who meant so much to her as colleagues, friends and subsequently as carers.

We each have our own unique experience of Margaret, as she had of us. One of her great strengths was to give each of us a sense that we had a special relationship with her.

Typical of her way were the words of one of the frequent letters she wrote to the RPH Social Work Department during her recent illness: 'Dear Friends and Colleagues, In the last few weeks I have received a truly amazing, unending flow of cards, flowers, calls, good wishes, dishes and soups - all delivered with such love and care, that I have felt truly nurtured. I have felt so well cared for!! This loving abundance has filled and comforted me when I have most needed it. My thanks to each and everyone. I consider I was truly blessed the day I walked into the Department. I think of you all each day.'

Margaret's overwhelming appreciation of what people did for her belies the enormous extent of love, care, support, respect and dignity she gave to others and continued to give.

A truly remarkable woman who will be greatly missed by the social work profession and those who had the privilege of working closely with her. Her dynamic way of living and giving will always be remembered.

TAX REFORM AND COMMUNITY SERVICES. THE STATE OF PLAY

One critical issue of concern to the Australian Council of Social Services (ACOSS) in the whole tax reform debate is the impact of the proposed changes on the work and clients of the community welfare sector. We believe that the Government's legislation, as it now stands and as supported by the Australian Democrats, will translate into reduced services for people who need them. Many other organisations share our fears and have worked to reshape this element of the Government's tax package, though we have had little success to date.

At the end of May, the Government and the Australian Democrats reached agreement on a revised tax package. Unfortunately it contained no substantive changes to the Government's original proposals regarding the tax treatment of "charitable organisations".

None of the amendments to the proposed legislation, which had previously been tabled in the Senate by the Democrats, were adopted. Instead, changes were limited to greater assistance by the Australian Tax Office (ATO) with a range of implementation issues (including the establishment of a charities/not for profit consultative committee within the ATO), and a commitment that further consultations between the Government and the Democrats will be held on these issues before 31 December 1999.

On 25 June, the Senate considered amendments to the whole tax package. None relating to charitable organisations were passed. This result is not only disappointing but unacceptable. In the coming 6 months, we will need to increase our efforts to prove to the Government and the Democrats that Treasury is wrong when it says that charitable organisations will 'not be worse off' under the new system. We need to convince them that there will be an adverse impact and that this will flow through to reduced services and assistance to the most vulnerable people in our community.

The proposed new system Overview

The Government's proposed tax treatment of community organisations is based not so much on who they are but on what they do. Not solely on their purpose or organisational entity, but on a combination of this plus the precise activities they perform and the goods and services they supply.

This is a radical departure from the current treatment of "charities". The key changes will be:

- the application of the GST to the "commercial" activities of charitable organisations;
- the application of the GST to memberships of registered organisations, government contracts and many fundraising activities; and
- changes to fringe benefits tax provisions.

GST-free activities

Under the new system, charitable activities will only be GST free in one of two ways.

1. Specifically named as GST-free

A range of activities have been specifically nominated by the Government as GST free. These include exports, health and medical services, education, childcare and religious services. Some important definitional problems remain and the sector will need to be vigilant and active if the full range of goods and services in these areas which are essential to low income people are to be zero rated.

Some services funded under particular pieces of legislation have also been named as GST free, such as those funded under the Aged Care Act, the Home and Community Care Act and the Disability Services Act. These services will be GST free regardless of whether they are provided by a for profit or a not for profit agency. It is important to note that some key services to low income people, such as the provision of employment assistance, have no legislative base.

2. Non-commercial activities of charitable institutions

The legislation specifies that a supply will be GST free if:

- the supplier is a charitable institution, a trustee of a charitable fund or a gift deductible entity; and
- the supply is for consideration that is less than 50% of the GST inclusive market value of the supply or less than 50% of the cost to the supplier.

The term "charitable institution" is not defined in the legislation but the Explanatory Memorandum to the Bill states [Clause 5.97 page 84]: *"At common law, charities are generally organisations that are established for: the advancement of education; the relief of poverty; the advancement of religion; or other purposes beneficial to the community."*

Activities subject to the GST

In addition to applying the GST to the 'commercial' activities of charitable institutions (including membership fees, which are treated as payment for the supply of goods and services and therefore subject to the GST), the Government's legislation also applies the GST to government funding contracts and most fundraising activities.

The legislation distinguishes between general government grants which are GST free, and government contracts which will attract a GST (because they are regarded as a payment in respect of specific outcomes or services).

In addition, while donations are GST free (because they are not payments made in return for goods and services), most fundraising activities will attract a GST. The only exceptions appear to be raffles, bingo and sales of donated secondhand goods.

Fringe Benefits Tax (FBT) changes

Public Benevolent Institutions (PBIs) and certain other non profit organisations currently enjoy a total exemption from FBT. Under the new legislation, a limit of \$17,000 of grossed up taxable value per employee will be placed on this concession. Any amount above this will be subject to normal FBT treatment.

Problem areas

Definition of Charitable Institution

A fundamental issue of concern is whether the term "charitable institution" will, in practice, cover all the appropriate community welfare organisations or whether it will be narrowly applied. This legitimate concern was exacerbated by a letter of 22 June from the Prime Minister to the Leader of the Australian Democrats, in which he stated that: *"The Government is not disposed to extend the definition of a charitable institution to advocacy and other groups."*

ACOSS immediately contacted the Prime Minister's office and has received a written assurance from the Prime Minister's office that, despite this statement, the Government has no intention of narrowing the broad common law definition of charitable institution set out in the Explanatory Memorandum to the GST Bill. This should mean that a wide range of non profit community welfare organisations would be covered, including advocacy bodies and selfhelp groups.

However, certainty will only be provided by the inclusion of a definition in the legislation itself. The definition should specifically refer to all organisations whose income is exempted from income tax pursuant to section 50 5 of Division 50 of Part 2 15 of the Income Tax Assessment Act (1997).

Application of the GST to the "commercial" activities of charities

Many concerns have been raised about the introduction of a "commercial/ non commercial" distinction in the activities of charitable organisations on the grounds that this approach fails to take sufficient account of the special role that they play in the Australian community. Where profits and income are generated from the activities of community welfare organisations, the revenue is ploughed back into service provision. Where fees are applied on a sliding scale, income is often used to cross subsidise services for people who can't pay.

One further problem is that the Government's 50% rule would be almost impossible to implement and would entail significant compliance costs. Who estimates market value? What happens in cases where a sliding scale of fees is applied and some of these fees fall below 50% of market value while others fall above the line? What about services for which there is no "market"?

A variety of options have been proposed to address this issue by different organisations and individuals within and outside the sector. They include:

- Some kind of **complete sector** exemption which would effectively quarantine the charitable sector from the GST. Under this proposal, eligible organisations would effectively 'stand outside' the whole system and would not have to pay GST or claim it back.
- GST free status for individual charitable **institutions**. Under this proposal, eligible organisations would still pay the GST and claim it back, but it would be much simpler for organisations to administer because they would not have to separate out each activity into commercial or non commercial.
- GST free status for charitable **activities** but with the activities more broadly defined than under the Government's legislation.

GST-free status for charitable institutions?

GST free status for individual institutions is supported by some community groups on the grounds that this approach best recognises the unique contribution of nonprofit bodies to the Australian community and

the difference between them and private businesses. Some kind of "whole of institution" exemption would also substantially reduce compliance costs.

However, ACOSS has not recommended this approach for a number of important reasons:

- "Charitable services" are increasingly provided by private, for profit agencies (in, for example, areas such as child care and employment services). Consumers should not be disadvantaged depending on whether their provider is not for profit or for profit.
- Some activities of non profit organisations are essentially commercial operations. Can we justify tax free status for these activities, when we know that this may have a significant impact on the available public revenue pool (both now and increasingly in the future)?
- The GST is a tax on transactions, so the logical way to define exceptions is to exclude activities not organisations.
- There is a real risk that any kind of institutional exemption would be too narrowly defined and not cover all community social welfare organisations.

GST-free status for the activities of charitable institutions?

Given these problems, ACOSS believes the better approach is probably to make charitable activities GST free but with a more adequate definition of noncommercial charitable activities than is currently the case.

Earlier this year, the Democrats tabled amendments which proposed a different definition of commercial. Under their proposals, commercial activities would be limited to the following definition:

- the good or services are sold at more than their direct cost; and
- failure to apply the GST would result in a significant distortion of competition.

It is likely that this type of amendment would significantly improve the legislation and it should be further explored.

What about community services provided by for-profit agencies?

The options discussed above do not address the issue of the increasing number of community services which are provided by for profit agencies. This trend is likely to increase as more community services are contracted out by governments. It would be illogical and unjust if people who use services provided by for profit agencies (and demand is often so high that there is effectively no choice of provider) are required to pay a GST, while people attending a service provided by a non profit agency are not.

One way around this problem might be the addition of a further category of GST free activities to the legislation, that is, that charitable activities predominantly funded by governments be GST free regardless of the legal status of the provider. A satisfactory definition of GST free activities would still have to be developed.

Contracts, fundraising activities and membership fees

The proposed application of the GST to many of the fundraising activities of community organisations could significantly undermine the vital contribution of individual Australians to their work. It also seems counterproductive in that reductions in fundraising activities will only

result in increased need for government support.

ACOSS is also concerned about the proposed distinction between general government "grants" and "contracts" (with only the former being GST free). We understand that government agencies will increase contract funds by 10% and community agencies will then remit that 10% to the tax office. Government agencies will be able to claim back the increase from the tax office as an input tax credit, so the impact will be neutral except for compliance costs. However, greater simplicity would be achieved by making all government payments to community welfare organisations GST free.

We also reject the assumption that membership of all non profit community organisations is a fee for service. Many take out membership simply in order to make a financial contribution to an organisation and express their support for its policies and work. They do not expect anything or service in return.

Compliance costs

The costs of complying with the new tax system are likely to be extremely high for non profit community organisations. The proposal to treat commercial and non commercial activities differently for the purposes of the GST will impose even higher administration costs on our sector than on others. This is the case in New Zealand, where "partially rated" organisations face compliance costs on average 5% higher than business, due to the difficulty of separating out their activities into different categories.

Fringe Benefits Tax (FBT) changes

The changes to FBT remain of major concern to many organisations throughout the sector. These changes will be the subject of legislation in the Spring sitting later this year.

In general terms, ACOSS supports the Government's desire to formalise and make more transparent the use of FBT provisions, but we are very concerned about the impact of the changes on the sector's ability to maintain existing levels of service provision. If compensatory funding is not provided, there will be significant reductions in the level of service provided.

Further, the Government's proposed cap of \$17,000 (grossed up) per employee is too low. ACOSS believes the cap should be more in the vicinity of 30% of the total remuneration of each employee. However, given the fact that the current concession costs a considerable amount in lost revenue, there may be merit in placing a ceiling on the remuneration to which it applies. One option would be to limit the concession to 30% of a maximum of \$50,000 remuneration, with this ceiling being indexed annually to movements in average earnings.

Conclusion

As is apparent from the above discussion, the impact of the new tax system on the work and clients of community welfare organisations is complex. ACOSS does not accept the Government's assertion that charitable organisations will not be worse off under the new tax system. We will continue to work with the sector over the next six months to get the necessary changes to protect the interests of the many disadvantaged Australians who rely on our support and assistance.

This text is reproduced from ACOSS publication Info 109, published in July 1999. It has been prepared to assist the community services sector obtain a clearer understanding of the implications of the GST. The content of this publication also provides a summary of the areas dealt with by Shaun Boyle, WACOSS Executive Director, when he addressed the WA Branch's evening seminar on the GST in September.

EAST TIMOR - SOCIAL WORK RESPONSE

The presence of two representatives of IFSW (International Federation of Social Workers) at the East Timor independence vote has helped to generate a significant social work response to the crisis in East Timor. Many social workers from around the world have asked about how they can be involved in assisting the reconstruction process.

The IFSW has for some years been committed to the realisation of self-determination for the East Timorese people, and has made such representations to both the UN and to the Government of Indonesia. The IFSW also argued strongly for an adequate international peace-keeping force in East Timor prior to the vote, and reiterated this position in the period of crisis that followed the ballot.

The IFSW has offered the assistance of the international social work profession in the reconstruction process. This has been communicated to Xanana Gusmao, and received a positive response. We are, however, not yet clear on the form that assistance will take. At this time efforts are being made to establish a dialogue with the East Timorese leadership to explore further the most appropriate ways for us to be involved.

The IFSW has established the following principles for its involvement:

- It is up to the East Timorese people and their new government to determine the priority of needs, and the role to be played by social workers. We do not wish to perpetuate colonialist models of international development work; we will do what the people ask us to do, not what we think they need.
- The response will be, as far as possible, an international effort, and will not be confined to social workers from Australia or any other single country.
- The IFSW does not seek to be “yet another player” in East Timor. Rather we hope to work through other NGOs that have established track records and infrastructure. Our aim is to help channel appropriate social work expertise through these agencies.
- The IFSW is committed to principles of “bottom-up” or empowerment based community development.

We are currently seeking the cooperation of national social work associations in identifying social workers who may have something to contribute to the reconstruction of East Timor. At present we are particularly seeking expertise in the following areas, which are likely to have high priority in the coming months and years:

SOCIAL WORKERS AS UN OBSERVERS IN EAST TIMOR

On the 4th October 1999, Jim Ife and Evelyn Balais-Serrano gave an evening presentation to a group of social workers and other interested persons on their experiences as UN Official Observers of the East Timor Independence Vote.

Jim Ife is well known to West Australians as an author of social work texts, Head of the School of Social Work at the University of Western Australia, a former President of Amnesty International and an advocate for human rights and the environment.

Evelyn holds a Masters Degree of Social Work from the Philippine Women's University. She has had extensive experience in the human rights area and is currently working in Bangkok as a Consultant for the Asian Forum for Human Rights and Development.

The Branch thanks Jim and Evelyn for giving their time freely and enabling people to hear first hand accounts of the process and aftermath of the East Timor vote for independence from Indonesia. The presentation enabled the Branch to make a donation to the work of the Red Cross in East Timor. We are pleased to include Jim Ife's report about the participation of the IFSW as observers at the independence vote.

ANNE PICKARD VICE PRESIDENT (EDUCATION)

- 1) community based post trauma recovery (not conventional post trauma counselling, but rather the training of local community people in trauma recovery issues and in the use of community based approaches such as drama, music and art in working through trauma at a community level);
- 2) specialised expertise in tracing and family reunions; and
- 3) longer term social development, reconstruction, and the establishment of community services.

In addition, some people in Schools of Social Work are currently looking at the possible ways they may be able to assist in training and educational programs.

The IFSW also is aware that many social workers are active in supporting the people of East Timor through other agencies and organisations, and encourages social workers to continue in this important work.

JIM IFE

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