

Dear member

Please find attached a media release from the Minister for Health, the Hon Daniel Andrews, announcing a review of the governance and accountability arrangements for Victoria's declared community health centres (CHC).

In the media release, Minister Andrews's states that he has written to the Federal Assistant Treasurer, requesting he refer to the Australian Tax Office (ATO) the concern expressed within Victoria of the impact that their decision to revoke the charitable tax status of declared CHC will have on their capacity to attract and retain staff.

VHA now awaits the response of the ATO to the Minister's public commitment to this review. VHA understands the ATO may defer the effective implementation date of the revocation order as a result of the commitment to review governance and accountability arrangements within the sector.

VHA has written independently to the ATO seeking its response to the commitment, and has encouraged a minimum 12-month deferral of the implementation date.

Any enquiries should be directed to Trevor Carr on 0390947702.

Kind regards,



Trevor Carr,  
Chief Executive



The Place To Be

# Media release

From the Minister for Health

Thursday, 20 March, 2008

## COMMUNITY HEALTH CENTRE GOVERNANCE TO BE REVIEWED

The Brumby Government is reviewing governance and accountability arrangements for Victoria's standalone community health centres in the wake of the decision in the NSW Ambulance Case and the Australian Taxation Office's decision to apply that court decision to the public benevolent institution status of the health centres.

Health Minister Daniel Andrews said that as a consequence of the ATO's application of the decision of the Federal Court, Victoria's stand alone community health centres will no longer be entitled to endorsement as Tax Concession Charities or Deductible Gift Recipient endorsement as public benevolent institutions or health promotion charities.

The ATO announced the decision would come into effect on March 31, 2008, coinciding with a new Fringe Benefits Tax year.

"I am concerned by this decision and I have since met with the Victorian Healthcare Association, as well as some of the community health centres affected, to discuss the implications of this decision," Mr Andrews said.

"I have also written to the Federal Assistant Treasurer, requesting he refer to the ATO Victoria's concerns about the impact the decision may have on the ability of standalone community health centres to attract and retain staff.

"Our priority is to ensure that the delivery of important services can be maintained which is why I have also commenced a review of arrangements with a view to making future arrangements consistent with the requirements flowing from the decision of the Full Federal Court."