

Speech for Mr John Curran T.D.,

Minister of State,

At the Irish Charities Tax Reform Group

2008 Conference

Morrison Hotel

Dublin

9.30am, Thursday 6th November 2008

Good morning everybody.

I am very pleased to welcome you all here today to the Irish Charities Tax Reform Group's 17th Annual Conference and I would like to thank Paul O'Sullivan for inviting me to make the opening address.

Since the ICTRG was formed in 1991, it has done great work in organising a number of campaigns to optimise tax effective giving, reduce the tax burden on the sector, and ensure regulation is appropriate to the needs of Irish charities. Since its inception the organisation has seen the introduction of a comprehensive system of tax relief for all donations above €250, with no upper limit, to eligible charities in 2001 and the extension of income tax relief to gifts of publicly quoted shares to charities in 2006.

This conference today is on the issue of promoting philanthropy. At the outset, I would like to say a few words on the charities and non-profit sector that depends to a large extent on philanthropic giving. I will also give you an outline on the Government's policy and current activities in relation to philanthropy before providing an update on the Charities Bill, which I know many of you are very interested in.

Charities Sector

We are very fortunate in this country to have such a vibrant and active community and voluntary sector. The sector itself has a long and interesting history that accurately reflects the economic, political and social history of the country. The last fifty years in particular have witnessed enormous changes in Irish society, which one can easily track in the development of the sector. Irish society today is modern and professional in its outlook and the community and voluntary sector is equally so. The sector often acts on behalf of the State and engages successfully with the State on many fronts. It would not be possible to do so without a high level of expertise, professionalism and dedication.

Over the last number of years, the Government has sought to encourage the dynamism of the sector and has prioritised significant new resources in support of this. New research which has been undertaken on behalf of my Department estimates that the State now provides in excess of €5.4 Billion per annum to the wider non-profit sector

in Ireland. This funding is to support the essential services that community & voluntary groups provide to Irish society on a not-for-profit basis. The services provided by these groups include social care, childcare, eldercare, health services, education, environmental, sport, cultural, advocacy, artistic and countless other activities.

The important role of the non-profit sector in our society has been reflected in the development of relations between the Government, the public authorities in general and the community and voluntary sector. Nowhere is that better displayed than in the evolution of social partnership which has led to the inclusion of the sector as a full partner over recent years. It is right that organisations with direct, personal experience of the circumstances and problems of those who might, otherwise, be almost voiceless in Irish society, should be heard at the table of social partnership. It is right that the participants in that process - including the Government - should be required to take on board and reflect, in policies and actions, the needs and aspirations of communities and interests served by voluntary organisations. It is right, too, that the sector should be aware of the concerns and constraints of the other partners, and indeed of the public authorities, through a respectful and continuing dialogue.

Successive reports on the Irish community and voluntary sector have emphasised the need for a supportive environment for the voluntary sector and experience from other countries have reinforced this view. Such an infrastructure is becoming increasingly important in the context of key objectives under Social Partnership in relation to social inclusion, lifelong learning and the promotion of active citizenship.

Philanthropy

Philanthropy is, I believe, a critical element in developing an overall supportive environment in which our charities sector can foster. The Government acknowledges philanthropy as an important element of a democratic and inclusive society. A particular strength of philanthropy is its ability to secure innovative approaches to social issues, while bringing flexibility and rigour to philanthropic spending. Philanthropists can often respond more creatively, more quickly and can take greater risks than the State sector. Such an approach promotes active citizenship, harnesses considerable private funds for additional public good, promotes fresh thinking, and, alongside continuing State schemes, can significantly add to the resources available for community benefit.

With this in mind, the Government believes there is value in strategically supporting the further development of philanthropy in Ireland. Against the background of the Task Force on Active Citizenship, the Government established the Forum on Philanthropy to deepen and strengthen a culture of philanthropy in Ireland.

Notwithstanding the more difficult economic times we have recently entered, this country has witnessed unparalleled growth in prosperity and wealth over the last ten years. However, our approach to philanthropy has been quite mixed with apparent low relative levels of planned philanthropic giving, but significant personal generosity by individuals, particularly in response to specific events such as the Ethiopian Famine and the Asian Tsunami.

One of the challenges, therefore, is to develop our approach and thinking around philanthropic giving. This raises the need for identifying and creating the right environment and framework to support philanthropy. In this context, I know that the Forum on Philanthropy - and Philanthropy Ireland - are working very hard to create the right mechanisms and to deliver the right messages.

The core task of the Forum is to promote a culture of philanthropy in Ireland in a number of ways, including:

- facilitating dialogue between the public sector and those involved in, or promoting, philanthropy;
- improving access to contacts across public bodies on information on opportunities for philanthropy;
- increasing understanding among funders public and private of the non-profit sector; and
- exploring ways of influencing wealth advisors so that they include philanthropy as a worthy and desirable option to their clients.

Developments since the establishment of the Forum include Government approval of flagship projects with the private sector to the value of €51 million; publication of Philanthropy Ireland's Guide to Giving; the endorsement of increased philanthropic activity by the Task Force on Active Citizenship; the establishment of the Social Finance Foundation and research into the levels of current philanthropic giving in Ireland.

I understand that the Forum is actively engaged in bringing forward further measures for Government consideration over the coming months. One of Ireland's most popular philanthropists of the modern era, Niall Mellon has said "I want the lasting legacy of the Celtic Tiger to be that the Irish can look beyond their own lives and help those less fortunate". The Government is committed to playing its part in fostering this level of enlightened social awareness and philanthropy throughout Irish society in the coming years.

Charities Bill

I'd now like to turn to the Charities legislation. One of the key elements in encouraging more philanthropy is ensuring better regulation of our charities sector. I know that many of you are interested in the regulation of the charities sector, and in this context have been monitoring the progress of the Charities Bill 2007

I am pleased to be able to tell you today that yesterday we took another significant step on the road to safeguarding the future of charities in this country by completing the passage of the Charities Bill through Dáil Éireann.

Many of you will be very familiar with the provisions of the Bill, thanks in no small measure to the work of Sheila Nordon and the whole ICTR organisation. Sheila has put an enormous amount of effort into helping to prepare the ground for this legislation and into keeping the whole charities sector informed and up-to-date with

the proposed regulatory framework and the implications for individual charities. I do appreciate the very constructive work in this area, as I know did my predecessors in my office from the outset of this regulatory initiative.

I know that Sheila has made you aware of the key provisions of the Bill, such as the new regulatory authority to be established and the new register of charities to be established, so I won't go over that ground again. However, I introduced a few amendments yesterday, which might be of interest to you, and I will just mention some of these briefly.

When the new register of charities is established, any organisation that currently holds a "CHY" number will be automatically deemed to be entered onto the register of charities. This should help to assuage any fears that some charities might have about their status under the new regulatory framework.

Of key interest to charity practitioners are two provisions which will allow charity trustees to be paid for non trustee-related work on behalf of their charity, and will also allow charities to take out indemnity insurance on behalf of their trustees, to ensure that their trustees are not personally liable for any losses arising to the charity as a result of any actions carried out by them in good faith.

Another amendment clarified that although charities may not support a political candidate or party, they may support a political cause that is directly related to their charitable purpose. I believe this amendment clarifies the position for everyone. Charities must take care however to ensure that their focus is always on their charitable purpose.

I believe these amendments are positive and will be broadly welcomed. I am hoping to move the Bill through to the Seanad in the near future, and then the groundwork for establishing the new Authority will begin in earnest, though this will take some time, if the experience of other jurisdictions is anything to go by. One of the key jobs to be done is consultation with the sector is the development of the annual report that is to be provided by charities to the new Authority. I expect that this process will begin after the Bill has been enacted.

I believe that this consultative approach taken with the sector, including in areas such as the publication of Fundraising Codes of Practice, has been a key element of the success in the development of a modern statutory framework that the Irish charities sector deserves, and I look forward to your continued engagement in this context in the future.

I would like to wish you well in your discussions today and look forward to further engagement with you in the future on this important issue.

Thank you.

ENDS