

Australia's Future Tax System



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Introduction

Women's Health Victoria is a statewide women's health promotion, information and advocacy service. We are a non government organisation with most of our funding coming from various parts of the Victorian Department of Human Services. We work with health professionals and policy makers to influence and inform health policy and service delivery for women.

Our work at Women's Health Victoria is underpinned by a social model of health. We are committed to reducing inequities in health which arise from the social, economic and environmental determinants of health. These determinants are experienced differently by women and men. By incorporating a gendered approach to health promotion work that focuses on women, interventions to reduce inequality and improve health outcomes will be more effective and equitable.

Women's Health Victoria's vision is for a society in which there is an accepted approach to health that is empowering and respectful of women and girls; one that recognises the importance of gender in determining health outcomes and utilises a sound gender analysis in policy making and in health and community service design.

We work toward achieving this vision by incorporating the principles of integrated health promotion. This is implemented by:

- Having a strong focus on working in partnership with other organisations and opinion leaders. We use credible tools to determine and strategically plan for the creation of new partnerships and the development of existing ones.
- Using a mix of health promotion interventions that are focused at the population level to achieve our vision – a significant amount of our activity is spread across evidence-based health information provision, policy support, advocacy, social marketing and sector based capacity building.
- Clearly defining our community of interest as individuals and organisations that work in areas which influence health outcomes. Our community of interest

includes but is not limited to health promotion practitioners, service and information providers, policy and opinion leaders, and researchers and educators.

Submission

Women's Health Victoria (WHV) welcomes the opportunity to make a contribution to the review of Australia's tax system particularly as it relates to Charities and Not for Profit organisations.

Women's Health Victoria is endorsed as a Deductible Gift Recipient- Health Promotion Charity and has related taxation concessions.

We have participated in a number of consultation processes and monitored issues for many years relating to the business of charities and not for profit organisations, particularly taxation treatment.

In this submission we comment on the consultation questions in Section 7 of the Consultation Paper- Not-for-profit organisations.

Q. 7.1- What is the appropriate tax treatment for NFP organisations, including compliance obligations?

Q. 7.1 Given the impact of the tax concessions for NFP organisations on competition, compliance costs and equity, would alternative arrangements (such as the provision of direct funding) be a more efficient way of assisting these organisations to further their philanthropic and community-based activities?

Any efforts to simplify the current complexity of taxation concession treatment arrangements would be welcome. Obviously compensation for current taxation concessions by way of an increase in direct funding would be much more efficient for organisations, lead to a reduction in the costs of compliance and enable a more effective approach to income generation.

However given the current global economic environment it would appear to us unlikely that governments in Australia (Federal and State) would be in a position to seriously consider this approach unless a comprehensive cost/benefit analysis was undertaken to prove that in fact overall costs (for government and organisations) would be reduced.

We refer to the 2001 Report of the Inquiry into the Definition of Charities and Related Organisations and its recommendations. Although a number of the recommendations have been adopted by government, there are several others which we believe should now be implemented. These relate to the administration of charities and related entities and the recommendations to establish an independent administrative body.

This approach is also consistent with submissions made to the recent Inquiry into the Disclosure Regimes for Charities and Not-for-Profit Organisations advocating for a new regulatory body.

A tiered system of eligibility for various taxation concession arrangements would lead to a simplification of a number of processes. This could be achieved with a single regulatory body responsible for administering the regulation of charities and not-for-profits. This would also provide for consistency, accountability and transparency of these organisations to the public and government.

It would also enable more accurate data collection systems and analysis of the sector for a range of purposes.

This approach would also deal with the 'conflict of interest' perceptions that are inherent with the Australia Taxation Office required to protect the revenue base and also manage and administer the endorsement processes for charities and not for profit organisations.

A new regulatory body could also make inquiries into and recommend further changes to simplify taxation treatment, regulation and administration of these organisations. The agreement of all States, Territories as well as the Commonwealth Government to achieving these outcomes would be of great benefit to the Australian community.