



BoysTown

Fresh start.
New hope.

Response to the Consultation Paper on Restating and Standardising the Special Conditions for Tax Concession Entities

Prepared by BoysTown

Authorised By:

Ms Tracy Adams
Chief Executive Officer
BoysTown
Ph: 07 3368 3399
GPO BOX 2469
BRISBANE QLD 4001

10 May 2012

Introduction

BoysTown has assessed the Exposure Draft and Explanatory Notes in relation to this proposed legislative and regulatory change. In order to provide a context for our response, this brief paper will firstly outline the nature of our organisation. This will be followed by our response to specific components of the legislative change. A comment will also be provided on the consultation process being used by Treasury which we believe will add value to the future implementation of this reform.

About BoysTown

BoysTown is a national organisation and registered charity which specialises in helping disadvantaged young people and families who are at risk of social exclusion. Established in 1961, BoysTown's mission *is to enable young people, especially those who are marginalised and without voice, to improve their quality of life*. BoysTown believes that all young people in Australia should be able to lead hope-filled lives, and have the capacity to participate fully in the society in which they live. BoysTown is constituted as a Public Company Limited by Guarantee. Our organisation has its own independent income derived from an active and national fundraising program including the BoysTown Art Union, corporate sponsorships, work-place giving programs, donations and bequests. Approximately 60% of BoysTown's income is derived from this fundraising program with the remainder being comprised of Commonwealth and State grants and fee for service activities. We place great importance on our independent fundraising capability as it allows the organisation to deliver high impact services by supplementing Government funding as well as initiating services in response to the needs of young people and their families in areas where Government funding has been traditionally limited. Such services include BoysTown's Domestic Violence Program and national telephone and online counselling services for children and young people, Kids Helpline.

Response

BoysTown is unable to respond to the extensive provisions in the Exposure Draft in relation to the definition of 'in Australia' special conditions as our operations are exclusively domestically based. However BoysTown supports the legislative definitions for income tax exempt and not-for-profit entities outlined in Clauses 1.51 and 1.88 – 1.93 of the Exposure Draft.

Consultation

The implementation of not-for-profit reform is a complex process given that it is estimated by the Productivity Commission that there are about 600,000 not-for-profit entities in Australia all pursuing diverse purposes. Furthermore, the reform process is similarly comprised of a range of different and complex strategies ranging from the definitional issues covered in this current consultation paper to the establishment of Australia's first national regulatory and accreditation entity for charities. The consultation process to date has involved Treasury issuing papers on specific aspects of the reform agenda separate to consultations on other central aspects of the process. It is our concern that unless there is an overarching framework developed that links together and analyses the implications arising from these separate reforms that their full ramifications will not be understood by not-for-profit organisations and possibly Government. This issue is particularly salient given the reluctance by Treasury to conduct a

Regulatory Impact Review of these changes and/or to publish the results of such a review.

Consequently it remains our view that Treasury's Not-for-Profit Reform Group need to provide an overview of the likely administrative and cost impacts of all proposed reforms particularly for the estimated 11,000 or more organisations that will be subject to the regulatory oversight of the new Australian Charities and Not-for-Profit Commission (ACNC). It is our view that this is the only way that Not-for-Profit organisations can be assured that their services will not be compromised by repetitive reporting processes associated with this reform agenda and for all parties to assess any likely unintended negative impacts.