

Submission to the Board of Taxation on the draft Charities Bill, 2003

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The Victorian Healthcare Association (VHA) is the peak body for public health service providers in Victoria. A number of our member agencies are defined as charities (specifically Public Benevolent Institutions or Health Promotion Charities). These include the 42 independent Community Health Centres (CHCs).

2. The **dominant purpose** of our member agencies that are endorsed as charities is the ***advancement of health***.

3. In response to the issue of the '**workability**' of the draft Bill, VHA has 2 recommendations:

Recommendation

The majority of CHCs are endorsed as Public Benevolent Institutions (PBIs). As all PBIs are Charities, the community health sector recommends the Bill define both charity and PBI.

Recommendation

The community health sector is mostly government funded. A *minority* of each CHCs governing board is appointed by government. The community health sector recommends the Bill clarify, on at least these two issues, whether agencies are deemed to be a government body.

4. The member agencies are not concerned about **administrative burden**.

5. Does the Charities Bill 2003 provide **flexibility** to ensure the definition can adapt to the changing needs of society?

VHA recommends the description of '***advancement of health***' be altered to reflect the changing needs of society, particularly to acknowledge the association between social capital and health outcomes and the wide range of service types community health services must provide to appropriately respond to community need.

Recommendation *explanatory memorandum*

The explanatory memorandum provides examples of agencies that contribute to 'curative and preventative purposes'. The dot point below 1.60 makes a general reference to 'community health services' and provides a limited example of service types. To more reliably reflect services provided by community health, the example of service types should also include: counselling, allied health services, disability services, parenting groups, primary mental health services, services for domestic violence and problem gambling, exercise programs and health education.

The second dot point below 1.60 should read 'including health promotion, health education, early intervention and community development through building social capital (in addition to 'nutrition services, immunization and screening for diseases').

While reference is made to community development in 1.66, under the '***advancement of social and community welfare***', the inclusion of community development is justified under the '***advancement of health***' due to the strong evidence that poor health outcomes are strongly associated with low social capital. Many community health services are working to improve social capital to improve health outcomes.

Recommendation *the Bill*

Under 'Part 3 – Charitable purpose ^10 (2) Advancement', the Bill should read '***Advancement*** includes health promotion, health education, protection, early intervention, maintenance, treatment, support, research, health improvement and community development'.

6. Should the dominant purpose of a charitable entity also be '**altruistic?**'

The majority of consumers accessing community health services are health care card holders. Altruism characterised as 'a voluntary assumed obligation toward the wellbeing of others or the community generally' does not capture the concept that charities should provide for the welfare of those whose needs, are to a great extent, a result of their socio-economic circumstances. There is a strong association between low socio-economic status and poor health outcomes. Increasingly, primary health services can only be accessed by consumers who are able to meet increasing out of pockets costs; this takes access to primary health services beyond the means of many consumers. Community health centres provide integrated services which provide for the multiple needs of consumers from low socio economic circumstances (drug and alcohol, counselling, allied health, disability services, primary mental health services etc.).