



VICTORIAN URBAN FIRE BRIGADES' ASSOCIATION INC.

"Actively supporting and representing volunteer fire brigades and promoting the welfare and efficiency of members in order to exceed community expectations"

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216/03

Consultation on the Definition of a Charity
The Board of Taxation
C/- The Treasury
Langton Crescent
PARKES ACT 2600

29th September 2003

The Victorian Urban Fire Brigades Association wishes to make a submission to the Board of Taxation on the exposure draft of the Charities Bill 2003.

This submission has not addressed the workability of the proposed legislation or whether or not the dominant purpose of a charitable entity should be altruistic.

This submission supports the contention that the Country Fire Authority (C.F.A.) should retain its charitable status, thereby continuing to allow its volunteer fire brigades to receive tax deductible donations to assist in their day to day operations and also in the provision of emergency equipment, which is used for the benefit of their communities and for the State of Victoria overall. The cost benefits of C.F.A. as a charitable entity are also passed on to the volunteer brigades and should be retained.

The Association is extremely aware of the workloads of our volunteer fire brigades and requests serious consideration be given to the effect of the proposed legislation on these workloads if the C.F.A. does not continue to be recognised as a charitable entity.

P E DAVIS
Secretary



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Submission to Board of Taxation Recommendations from Definition of Charities Inquiry

Role of Association

The Victorian Urban Fire Brigades Association represents the views of Victoria's 10,000 urban volunteer firefighters in their dealings with the C.F.A. The Association is legitimised in this role in Section 100 of the C.F.A. Act 1958.

Every urban volunteer fire brigade in Victoria is affiliated with the Association.

Background

There are over 1,200 C.F.A. volunteer fire brigades in Victoria. Members of these brigades give their time freely, and risk their lives for the protection of their communities from fire and other emergencies. As life becomes more complex, we are finding volunteers becoming disenchanted and frustrated by various pieces of legislation which appear, to the volunteers, to have little or no regard for the fact that these people are volunteering their services for the betterment of their communities.

Volunteer fire brigades in Victoria, and most likely in the other Australian States, rely to a large extent on fundraising activities to acquire additional emergency equipment not provided by the firefighting agencies. In Victoria alone, there are 550 brigade owned firefighting and support vehicles, not to mention other emergency equipment such as positive pressure fans, additional breathing apparatus, portable radios and numerous other items of emergency equipment which brigades have provided as a result of their fundraising activities.

Brigades have enjoyed the benefit of attracting tax deductible donations as a consequence of the C.F.A. status as a charity or public benevolent institution.

It should also be noted it has been estimated that in Victoria, the volunteer brigades save the Victorian community some \$480M each year through the provision of a volunteer fire and emergency service.

The Issue

A consequence of the recommendations from the Charities Definition Inquiry would see the C.F.A. lose its status as a charity as it would come under the definition of a Government body.

This would have serious implications for Victoria's volunteer fire brigades in two areas:

- (i) brigades would lose the attraction of tax deductibility on donations made to them unless they made separate application for, and received approval, to be recognised as charitable organisations;
- (ii) C.F.A. cost of operation would increase with the result that less funds would be available to assist the volunteer brigades.

The Association understands that the Australasian Fire Authorities Council (AFAC) has made a submission to the Board of Taxation advocating that the definition of a Government body be amended to reflect that the organisation (or body) must be substantially controlled by Government. Hopefully, this would enable the C.F.A. to retain its status as a charity.

On behalf of Victoria's urban volunteer fire brigades, the Association fully supports the AFAC submission.

If the AFAC submission is not successful, the Association wishes to make two alternative recommendations:

- (i) *All Victorian volunteer fire brigades be given automatic classification as a charity, or deductible gift recipient (or whatever is the appropriate classification), in order that they can continue to attract tax deductible donations.*

The Association makes the point of automatic classification as opposed to the need for the brigades to apply for this charity status. We do this on the grounds that these volunteer brigades are busy enough now, and the bureaucracy should not be adding to their busy workloads by requiring them to initiate the documentation required to seek the appropriate charitable status.

As an example this workload, during the 2002/03 financial year, C.F.A. brigades responded to 64,969 incidents. As you would be aware, in 2002/03 the C.F.A. combated its largest fire and volunteer firefighters were engaged in 55 continuous days of firefighting. In addition to combating this huge fire, C.F.A. brigades continued to provide fire protection to their local communities.

If the C.F.A. loses its charitable status, automatic recognition of brigades as charities would be some form of recognition or acknowledgment by the Government of the efforts of our volunteer firefighters.

- (ii) *The C.F.A. be recompensed for the increased cost of operation as a result of loss of its charitable status.*

The Association understands that loss of charity status for the C.F.A. would add considerably to its costs of operation. Increased costs would reduce the amount available for volunteer brigades. The Association considers the C.F.A. should be recompensed by the Federal Government for these added costs thereby not impacting on the funds available to assist the volunteer fire brigades.

Summary

The Association fully supports the AFAC submission which would see retention of the C.F.A. as a charitable organisation.

If this submission is not successful, the Association strongly recommends that automatic recognition be given to all Victorian volunteer fire brigades as charities or deductible gift recipients, and the C.F.A. be recompensed by the Federal Government for any added costs of operation.