

Monday 12 January 2009

Manager,  
Philanthropy and Exemptions Unit,  
Personal and Retirement Income Division,  
The Treasury,  
Langton Crescent,  
Parkes, ACT, 2600

Dear Sir/Madam,

Anglicare Victoria would like to submit comments to the Treasury discussion paper, "Improving the Integrity of Prescribed Private Funds (PPFs)".

We are presently a DGR and a beneficiary of a number of PPF's which assist us to continue to provide services to the vulnerable in our community in the future. We would like to express our concern for the long-term viability of PPF's which are an important source of funding for our work.

Your discussion paper is suggesting a compulsory distribution rate for all PPFs to be 15% of capital as at 30 June of the previous financial year. Anglicare Victoria would like to point out that while a distribution rate as high as this may give us a greater income in the very short term, it would not, however, allow PPF's to grow and hence maintain their giving over time.

As highlighted in our Strategic Plan, Anglicare Victoria is concerned with our ability to maintain services to the vulnerable over the long-term and continue to look for funding that can provide us with this long term security. We aim to grow ourselves over time, and do not wish to see important contributors being forced to slowly reduce funding. A 15% contribution rate would slowly reduce the help we would receive from PPF's, and could eventually cease altogether. This is not consistent with our long-term goal.

We would like to suggest a minimum rate to be set at 5%. If any of the PPF's can manage more than this in a successful investment year then they would be free to increase that figure. We look upon our relationships with all of our PPF's as partnerships. It is in our own interest to encourage philanthropy, so that more Australians will gain satisfaction from contributing to social work such as ours.

It is our belief that a distribution rate as high as 15% will discourage investment in the philanthropic sector because it does not encourage growth.

We sincerely hope that a contribution rate of a minimum 5% can be set for the PPFs throughout Australia.

We can then look forward to a long-term future, both for ourselves and the organisations which support us.

Yours Sincerely,

Dr Ray Cleary AM  
Chief Executive Officer

Anglicare Victoria  
Central Office  
103 Hoddle Street  
Collingwood VIC 3067  
Ph: (03) 9412 6133

FAX: (03) 9415 9181

