

13 January 2009

Mrs Tina Price

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To whom it may concern,

I write personally to express support for Philanthropy Australia's submission to the Treasury discussion paper, Improving the Integrity of Prescribed Private Funds.

As someone who has been employed in the area of philanthropy in the not-for-profit sector including foundations, I welcome the opportunity to provide a perspective on the Treasury discussion paper.

I support the observation that Prescribed Private Funds have been a critical part of the development of a long term culture of giving in Australia with benefits far beyond the chequebook. For this to continue, certain conditions are critical. In particular, as for foundations established under a company limited by guarantee structure, the ability of PPF's to maintain the real value of their corpus over time is crucial; if long term funding stability for not-for-profits is to be realised. Without the ability to maintain a corpus in keeping with CPI, surely a disincentive is created with the very real risk of a diminishing corpus, with diminishing distributions, over time.

The not-for-profit sector often has to operate on short term, irregular and unpredictable funding which does little to create the conditions under which efficient service delivery, capacity building, long term planning or innovation can take place. Many organisations attempt to minimise these funding anomalies through fundraising. The existence of PPF's allows a stable, longer term funding possibility to enter the model.

Private philanthropists are often more discerning than other donors in directing their distributions. In my experience, donors that are committed to long term giving tend to become more engaged and expectant of best practice from the recipient organisation in turn creating a culture of communication, stewardship and accountability from recipient to donor. This interaction can often facilitate an

environment of efficiency and also one where innovative solutions can be discussed, funded and enacted upon.

Regulatory oversight is important and I welcome clearer guidelines, less cumbersome compliance and more effective governance of PPF's as I do for not-for-profit organisations. I would hope that this can be accomplished with a view to preserving the conditions that might allow a long term solution based culture of giving to thrive within Australia so that we might all work together to improve our society.

Yours Sincerely,

Tina Price,