

## **SUBMISSION EMAILED TO THE PRODUCTIVITY COMMISSION**

### **NOT FOR PROFIT SECTOR**

Security4Women is a national women's alliance partly funded by the Commonwealth Office for Women. We engage with Australian women to identify the issues they face and establish those of primary importance. Outcomes from our consultations contribute to social capital and national policy reform relevant to the lifelong economic well being for women.

Member organisations who contribute to S4W consultations represent a wide diversity of women with extensive networks in urban and regional Australia. National organisations who hold membership include: Association of Professional Engineers, Scientists and Managers Australia (APESMA) Association of Women Educators (AWE) Australian Federation of University Women (AFUW) Business and Professional Women Australia (BPWA) Council of Small Business Australia (COSBOA) National Foundation of Australian Women (NFAW) Voice Interests and Education of Women (VIEW) Women in Adult and Vocational Education (WAVE) Waltja Aboriginal Community Association and State based Working Women's Centres.

At this point of time Security4Women find they are extremely busy and as such are unable to make a full submission to the Commission on the "not for profit sector", however members wish instead to put forward important points for consideration which are addressed below:

*Consider alternatives for, or improvements in, such measurements, or further quantitative and/or qualitative means of capturing the not-for-profit sector's full contribution to society.*

- Make it mandatory for all measures, tabulations, graphs analysis to be disaggregated by gender (UN - CSW and CEDAW requirements)
- More regular preparation of Not for Profit Sector Satellite Accounts by ABS
- Publicise all of the measures more widely and explain comparisons and where the differences in definition and 'accuracy' of the measurements arise: Survey of Not for Profit Organisations, Time Use Survey, Population Census, Survey of Volunteers, Satellite Accounts etc.
- Include a monetary valuation of unpaid work in the Not for Profit Survey results. The 2006-7 Survey shows there were 80,000 paid employees and 2.435,000 volunteers contributing to the Non for Profit Sector. The value of the paid labour contribution was \$m32,000. What would be the value of the unpaid contribution? What would be the value of the unpaid contribution by women?

*Identify unnecessary burdens or impediments to the efficient and effective operation of community organisations generally, including unnecessary or ineffective regulatory requirements and governance arrangements, while having regard to the need to maintain transparency and accountability*

- Membership of volunteers is reducing as more women enter the labour force and prefer membership of professional organizations
- Women who are in the work force are often time-poor because they continue to maintain their role as primary carers both for children and for elderly parents. Many organizations find it hard to retain members in the 30 to 50 age group and find that their membership is increasingly elderly. Better support services for children and the elderly would make it more possible for these women to continue as volunteers.
- The proliferation of similarly focussed organizations spreads the pool of volunteers and supporters very thinly
- Members unwilling to take on leadership roles as administrative responsibilities and large personal administrative and representational "non tax deductible" expenditures increase

- Belonging and participating as an ordinary member is also becoming more demanding of time and personal funding (membership fees, travel and accommodation to attend national, State/Territory and regional meetings and conferences, fund raising activities – functions and raffles, street stalls, petrol, computing/email/internet access, stationery, postage). Some tax relief is often suggested as an incentive to maintain membership and participation particularly for fixed and low income participants
- Difficult and protracted process required to obtain Donor Gift Recipient( DGR) Status. Not having DTR status severely limits the ability of NFP's to fund-raise.
- Loosening the criteria for Tax Deductibility Status would have a beneficial effect on enhancing membership and the ability to increase service to our communities.
- Duplication of process to register with ASIC as a "National" organization needing to apply for an ARBN after applying for an ABN.
- Websites of Government agencies are not always user friendly and up to date which is an impediment to NGO's acquiring needed information (in particular the ATO website) – National NGO's shouldn't need a lawyer to tell them they should have applied for an ARBN not an ABN in the first place.
- Government compliance requirements should be stated clearly and simply in plain English without legalistic and public service jargon.

*Consider options for improving the efficient and effective delivery of government-funded services by community organisations, including improved funding, contractual and reporting arrangements with government, while having regard to the need for transparency and accountability*

- Current funding not commensurate with hours contributed eg (S4W)
- Time allowed for responses to inquiries, and/or completion of projects is often unrealistic given the reliance on voluntary labour
- Many voluntary organizations do not receive any direct government funding but contribute to government work (AFUW)
- Limited funding available to apply for small projects (AFUW Sunshine coast Branch)

*Examine the changing nature of relationships between government, business and community organisations in recent times, their general impacts, and opportunities to enhance such relationships to optimise outcomes by the sector and its contribution to society*

- Community organizations feel under increasing pressure to contribute to policy discussions by making submissions to Government inquiries, participate in community consultations, and collaborate with other organizations. While they may value the opportunity to do so, the time spent on this often has the effect of diverting them from attending to the ongoing needs and aims of their own particular organization.
- In a similar way, the project funding model often means that resources that should be going into maintaining the organization are diverted – so that the only available source of funding may actually prove to cost the organization rather than assisting it.

*Examine the extent to which tax deductibility influences both decisions to donate and the overall pool of philanthropic funds*

- It is doubtful whether anyone has quantified this (i.e. measured the extent) or will ever be able to do so. Individuals will vary a great deal on this, and if sufficiently convinced of the worth of a cause will probably donate regardless of tax deductibility.
- On the other hand, when tax deductibility is available the extent of the amount donated may be influenced by that factor.
- Organisations obviously believe it is a factor as they struggle to get DGR status and make sure they advertise it once it's obtained.
- The difficult and protracted process required to obtain DGR Status is a debilitation factor in itself and inhibits many small worthy organizations from proceeding. When deterred they must seek alternative DGR sponsorship or accept the fact that their access philanthropic funds will be considerably reduced.
- More development of not-for-profit organizations such as the National Foundation for Australian Women and Melbourne Community Foundation (who can act as DGR sponsors) should be encouraged, as these can relieve small organizations of the burden of

administration and achieve a better return on the pooled money, while nonetheless retain the identity of each organisation's funds.

*Examine the extent to which tax exemptions accessed by the commercial operations of not-for-profit organisations may affect the competitive neutrality of the market.*

- Beyond our scope to comment
- Is there really competitive neutrality of the market!

\*\*\* See Dalma "Corrections to Issues Paper"..... (Mark Lyons)

If you wish to discuss any aspect of our submission further please contact either:

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