



## **Manton Rural Fire Brigade**

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### **RE: Exposure Draft - Extending Gift Deductibility to Volunteer Fire Brigades**

I refer to your email of 5 May 2010 that extended an invitation to comment on legislation to extend deductible gift recipient (DGR) support to all volunteer fire brigades. On behalf of Manton Rural Fire Brigade, I thank you for this opportunity.

Specific comments on the Exposure Draft and Explanatory Memorandum are given below:

#### **Exposure Draft – Extending Gift Deductibility to Volunteer Fire Brigades**

Whilst there are some instances where there is a separate listing of both volunteer fire brigades and state emergency services (eg Section 30-102 heading, Table heading and Section 12A.1.1) it is not consistently applied through the document. To assist with clarity the following suggestions are offered:

1. *Table - Fire and emergency services – General Section 12A.1.2 (b)*  
Mentions “volunteer based emergency service activities” - suggest this should read ‘volunteer based **fire and** emergency service activities’
2. *Table - Fire and emergency services – General Section 12A.1.2 (c)*  
Mentions “volunteer based emergency service activities” - suggest this should read ‘volunteer based **fire and** emergency service activities’
3. *Table - Fire and emergency services – General Section 12A.1.3 (a)*  
Mentions “volunteer based emergency service activities” - suggest this should read ‘volunteer based **fire and** emergency service activities’
4. *Table - Fire and emergency services – General Section 12A.1.3 (b)*  
Mentions “volunteer based emergency service activities” - suggest this should read ‘volunteer based **fire and** emergency service activities’

Arguably this change could be covered by the inclusion of a definition which states something along the lines of emergency services activities are defined as including both fire brigade activities and state emergency services activities however for ease of reference and clarity it is considered that the amendments suggested above would be more suitable given the size of the existing legislation and difficulties often encountered by non-professionals in locating definitions within it.

### **Explanatory Memorandum - Extending Gift Deductibility to Volunteer Fire Brigades**

The same overarching comment is made here in relation to terminology – for consistency and clarity, it is suggested that the practice adopted in Clauses 1.19, 1.20, 1.21 and 1.22 (where both VFBs and State Emergency Service Units are specifically mentioned), be applied throughout the Explanatory Memorandum. The use of the term ‘Volunteer Fire Brigades’ or its acronym VFB would be acceptable, as would volunteer based **fire and** emergency services where that is appropriate. This would also prevent inconsistency with Clause 1.29 where State Emergency Services and marine rescue units are given as specific examples of “volunteer based emergency service units.

- a) *Page 1 - Clauses 1.3, 1.4, 1.5 and 1.18:* It is useful to note here that a vast majority of volunteer fire brigades also include in their activities responding to motor vehicle accidents occurring within their communities. Fire Brigades are part of the overall response team, are often first on the scene (due to their relatively smaller areas of control when compared to say police and the Road traffic Authority) and are there to provide, amongst other services, protection in case of fires/explosions. In the case of motor vehicle accidents, the assistance provided by fire brigades on the scene is surely to protect the distressed or injured as well as personnel of those other services at the scene – it is not simply to ‘protect property’ as inferred. As a matter of interest the Manton Brigade attended eight motor vehicle accidents in the brigade area in the last financial year.
- b) *Page 3 - Comparison Table First Column Second Row:* Mentions “volunteer based emergency services” - suggest this should read ‘volunteer based **fire and** emergency services’
- c) *Page 4 – New General Categories - Clauses 1.14 second and third dot points:* Mentions “volunteer based emergency service activities” - suggest this should read ‘volunteer based **fire and** emergency service activities’.
- d) *Page 6 – Heading (New General DGR category..... emergency services (including volunteer brigades), Clauses 1.23 and 1.24.* These instances use the term ‘emergency services (including volunteer brigades)’ that could imply that Volunteer Fire Brigades are part of the State Emergency Service structure. Whilst this may be the case for the ‘hybrid units’ that are mentioned in say Clause 1.25, it is not the case in the vast majority of instances. It is suggested this should read ‘volunteer based **fire and** emergency services’.

- e) *Page 7 Clause 1.32 and Page 8 Example 1.2.* There appears to be some inconsistency between these two paragraphs. Clause 1.32 states that “..funds established by Brigades can only be used in support of activities that are ‘volunteer based emergency services activities’ of the establishing entity.” Example 1.2 talks about funds not being used for other activities but also states “The dinner is not a fundraising event.” This infers that public funds **can** be used for fundraising events. It is hoped that the inference is correct because not having access to existing money (in the public funds) to set up the fundraising events would severely hamper the fundraising efforts of brigades and would impose an inequitable burden on individual brigade members to underwrite those fundraising activities? It is also not clear whether providing catering for the Brigade’s Annual General Meeting would be an allowable payment from the public fund.
- f) *Pages 12, 13 and 14 – Gift Fund Requirements and Public Fund Requirements.* Further clarification is required about the operation of these two funds. Are they required to have separate accounting records or can they separately identified within the one set of accounts? The latter would seem more efficient for smaller entities such as rural fire brigades or indeed state emergency service units would generally operate simple accounting records (such as spreadsheets) where incoming funds are identified and member contributions/donations or Other Receipts. There is also some ambiguity regarding the necessity for separate banking accounts see comments below at Item iv.

### **Endorsed DGRs – Gift Pack**

There would now appear to be a number of inconsistencies between the current Explanatory Memorandum issued for public comment and the information included in the associated documents on the ATO website as part of the information obtaining endorsement as a DGR. Some examples are:

- i. *Document 34490 – Endorsed DGRs – Gift Pack.* At page 21 of this information under the heading of **Types of Organisations** which may be considered Public Benevolent Institutions, bushfire brigades are specifically mentioned under the sub-heading of Emergency Services
- ii. *Document 26553 – Is your organisation a public benevolent institution?* At page 3 of this information under the heading of **Examples of public benevolent Institutions** which may qualify, bushfire brigades are specifically mentioned under the sub-heading of Emergency Services
- iii. *Document 34516 – DGRs – Other Conditions – Gift Pack.* At Page 4 under the Gift Fund example, the **!** information point states “From 12 April 2007, organisations that are endorsed, or seeking to be endorsed, as DGRs as a whole are not required to maintain a gift fund. However, these organisations may choose to maintain a gift fund.” Is this consistent with the information

- iv. *Document 13269 - Gift Fund Requirements. Sub-heading: Is a separate bank account required for a gift fund - states “While the tax law doesn’t require that a separate bank account be opened for the gift fund, banking money in a separate account will provide clear evidence of the existence of a gift fund. Money or property of a gift fund should not be mixed with other money or property of the organisation.” Yet the ! information point below the Sub-heading: Does the existence of a public fund satisfy the gift fund requirement states that “A separate bank account and clear accounting procedures are required for a public fund.” This is somewhat confusing.*

For information I have attached a “marked up version” of the documents which show those instances where, for clarity and consistency, I have suggested ‘...emergency services activities’ should be replaced by the term “**fire brigade services and/or emergency services**” or by **fire brigades and/or emergency services** as appropriate. This would allow either type of service to be covered without excluding the other and would also not exclude those ‘hybrid’ service units. This concern could also be addressed by using the term “*emergency services including volunteer fire brigades*” as is used in Clause 1.2 of the Explanatory Memorandum.

I have provided these comments on behalf of Manton Rural Fire Brigade and place no restrictions on them being made available to the public on the Treasury website.

Barbara Burton  
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Manton Rural Fire Brigade

25 May 2010