



THE LIFE OF THE BEACH

12 January 2009

Manager
Philanthropy & Exemptions Unit
Personal & Retirement Division
The Treasury
Langton Crescent
PARKES ACT 2600

Dear Sir/Madam,

**Re: Improving the integrity of Prescribed Private Funds (PPF's)
Discussion Paper – November 2008**

We refer to the above Discussion Paper.

Surf Life Saving Australia is arguably Australia's largest volunteer community service organisation. Last year alone our patrol members performed over 1.2 million volunteer hours thereby ensuring the safety of the millions of Australian and overseas visitors who enjoy this country's beaches.

An independent report showed Surf Life Saving contributes more than \$1.4 billion to the Australian community annually through volunteer commitment and services. Annual costs associated with running the movement nationally are enormous and increasing every year, and our government funding is minimal.

Therefore with limited Government support, Surf Life Saving relies heavily on corporate and community funding. Prescribed Private Funds (PPFs) are an integral part of this support mechanism and as such we write to emphasise the importance of PPFs to the community and charitable sector.

Surf Life Saving has been relying on community support for over 100 years however it has only been in recent times that the importance of establishing long term philanthropic partners been emphasized. PPFs, such as the Balnaves Foundation and others, provide a long term solution for the future of our volunteer movement – "Partners in Perpetuity".

Successful perpetuity partnerships have been made possible due to the current ATO distribution rulings. We appreciate the Government's intention is to improve the integrity of PPFs and to provide trustees of PPFs with greater certainty as to their philanthropic obligations. However, in our view increasing the compulsory distribution rate to 15% as suggested in the Discussion Paper (Point 20, Dot 1) will result in the eventual winding down of existing PPFs – a concept we do not support. We respectfully submit that a 15% rate might be a disincentive to those looking to establish a PPF.

In our opinion this would be detrimental in our ability to secure philanthropic support over a long period of time.

We support the submission that a lesser distribution rate which allows perpetuity of PPFs is in fact in the best long term interests of the charitable/community sector. Capital support is required each year and it is our view that PPFs are a long term solution for this requirement.

Surf Life Saving would like to maintain our current philanthropic partners for many years to come – hence we do not support a “short term” focus/approach. By way of example, Surf Life Saving currently has a 10 year support pledge from a “Partner in Perpetuity” – a Prescribed Private Fund. We would like this relationship maintained rather than being jeopardized due to future PPF funding uncertainty.

With the above example in mind, we request that further consideration be taken in determining a minimum distribution amount. In particular, we respectfully ask that the Government's actions ensure that PPFs can continue to provide consistent long term philanthropic support, regardless of whether they themselves receive continuous donations.

Thank you for your consideration of the above and congratulations on the review to improve the integrity of PPFs.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Ron Rankin', written in a cursive style.

Ron Rankin AM
President