



A•S•U
Australian Services Union

Submission

to

Not-For-Profit Sector Tax Concession Working Group

Fairer, simpler and more effective tax concessions for the not-for-profit sector Discussion Paper November 2012

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About the Australian Services Union (ASU)

1. The Australian Municipal, Administrative, Clerical and Services Union (ASU) welcomes the opportunity to make a submission to Treasury on important proposals for reform of tax concessions for the not-for-profit sector. This submission is confined at this stage to our interaction and involvement representing workers in the Social and Community Services (SACS) industry.
2. The ASU is one of Australia's largest Unions, representing approximately 120,000 employees.
3. The ASU was created in 1993. It brought together three large unions – the Federated Clerks Union, the Municipal Officers Association and the Municipal Employees Union, as well as a number of smaller organisations representing social welfare, information technology workers and transport workers. Today, the ASU's members work in a wide variety of industries and occupations and especially in the following industries and occupations:
 - Local government (both blue and white collar employment)
 - Social and community services, including employment services ("SACS")
 - Transport, including passenger air and rail transport, road, rail and air freight transport
 - Clerical and administrative employees in commerce and industry generally
 - Call centres
 - Electricity generation, transmission and distribution
 - Water industry
 - Higher education (Queensland and South Australia).
4. The ASU has members in every State and Territory of Australia, as well as in most regional centres as well.

5. The ASU is the largest union of workers in the SACS sector and our submission addresses the working group's discussion paper as it effects our members in this sector.
6. SACS members of the ASU work in services such as: youth refuges, women's refuges, family support services, disability services, community legal centres, employment and training services, employment services like Job Futures, aboriginal organisations, community or neighbourhood centres, family day care centres, community transport services, home and community care services, environmental organisations, aged pensioners and superannuants associating community sector peak bodies, migrant or ethnic services and aid agencies.
7. Large employers in the SACS industry include the Catholic Church (including St Vincent de Paul), Anglicare, The Smith Family, Mission Australia, Uniting Church, Relationships Australia, Max Employment Services, Amnesty International, Oxfam, ACF and Greenpeace.
8. ASU members in the SACS industry work for both not-for-profit and for-profit providers, so we have a unique perspective of the operation of both models of service provision in this sector. That said, the majority of employers are not-for-profit organisations, some of which have PBI status and many who do not.

Recommendations

9. The ASU is aware of the submission of the Australian Council for Trade Unions (ACTU) dated 21st December 2012. The ASU supports the ACTU's submission.
10. In relation to the Fringe Benefits Tax (FBT) issues, we make a couple of additional points. Changing the FBT regime for SACS organisations would have significant ramifications on the take home salaries of the generally low paid staff in the SACS sector.
11. We caution the Government about making changes before there is a comprehensive consultation process with the unions that represent staff in the SACS sector. Consultation should take place with the SACS employers as well. Change must be informed by modelling and based on information from the SACS sector employers and unions about the effects of alternate proposals. We believe

that whatever is decided upon should have as a guiding principle that no employee should be worse off financially as a result.

12. In any alternate system we believe the issue of equity across all SACS organisations and as a consequence their employees needs to be addressed. Currently, not-for-profit (NFP) organisations may have Public Benevolent Institution (PBI) Status but there are many that do not and consequently, neither the organisation nor their employees obtain any benefit from FBT concessions. Any replacement system must not perpetuate these inequities but rather give all the SACS organisations and their employees access to the benefits.
13. The implications of implementing any of the current reform options will have serious adverse effects on individuals and as a consequence recruitment of skilled and experienced employees in the sector. In the formulation of policy in the FBT area, government must consider what it would mean to the SACS sector and the delivery of the Government's Social Inclusion policy agenda.
14. The ASU would welcome the opportunity to meet with Treasury to discuss our submission or provide further information.