

29 July 2011

Mr Chris Leggett
Manager
Philanthropy and Exemptions Unit
Personal and Retirement Income Division
The Treasury
Langton Crescent
PARKES ACT 2600

Dear Mr Leggett,

Re: Exposure Draft, Improving the Integrity of Public Ancillary Funds

Thank you very much for the opportunity to comment on the above Exposure Draft. On behalf of The Ballarat Foundation I wish to thank you for the work undertaken in regard to Improving the Integrity of Public Ancillary Funds and to the considerations made to the needs of Community Foundations around the country.

In general the draft sits comfortably with our needs although for a number of reasons we would have preferred not to have annual distributions tied to the capital value. This will have a detrimental effect to perpetual funds like ours in years of low investment returns and if sustained could cause erosion of both our funds capital value and the level of support we can offer the community that we serve.

We strongly support the concept of portability (revised draft guidelines clause 50) but do not see this in the Exposure Draft. We make the point that it is equally, if fact more important, to Community Foundations to have the capacity to transfer assets from private ancillary funds (PAF) to a sub-fund of their public ancillary fund. We note that the current provision only shows this portability option for transfers from public ancillary funds to private ancillary funds.

Guidelines (clause 50) make provision for the transfer of assets from one public ancillary fund to another, and / or from a sub-fund of to a private ancillary fund (PAF).

The section of the legislation relating to trustees' governance duties and capital distribution needs to allow such transfer of assets, and should apply to both forms of ancillary fund (private and public) in both directions.

We trust you will give these comments due consideration.

Yours Sincerely



Noel Trengove
CEO - The Ballarat Foundation.