

**Submission to the Online Pre-Budget Consultation
Process for 2006 and Beyond
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Presented by:

The Calgary Chamber of Voluntary Organizations (CCVO)



**The Calgary Chamber of Voluntary Organizations
#940, 1202 Centre Street S.E.
Kahanoff Centre
Calgary, Alberta T2G 5A5
(403) 261-6655**

Background about the Calgary Chamber of Voluntary Organizations

The Calgary Chamber of Voluntary Organizations works to strengthen Calgary's voluntary sector and provides leadership on policy matters affecting the sector as a whole.

In Calgary, there are approximately 1,686 registered charities and 4,000 nonprofit and community-based organizations. Collectively, these groups make up the "voluntary sector." CCVO's works with the whole sector, and our members work in diverse areas including arts and culture, education and research, social services, environment, development and housing, faith and religion, recreation and sports, and philanthropy, among other areas. CCVO's membership also includes individuals, government and businesses.

Nationally, CCVO collaborates with 13 other voluntary sector network groups across Canada to support to nonprofits and charities and address the issues they face. Calgary is known as an entrepreneurial city, and CCVO's is seen as a leader in its work with the voluntary sector

Part of CCVO's work is to address issues of common interest between the voluntary sector and all levels of government to ensure the continued health and vitality of nonprofits and charities that are needed to support a vibrant community.

The Role and Contribution of the Voluntary Sector in Building Healthy Communities

Across Canada, the work of over 161,000 voluntary and nonprofit organizations makes a significant contribution to the strength and vitality of Canadian communities and the Canadian economy. The high quality of life Canadians enjoy is built on many of the programs and services offered by nonprofits and charities including after-school sports for our kids; programs to help prevent crime and support the victims of crime; training to give people the skills they need to fill gaps in our workforce; programs to meet the needs of our growing population of seniors; and arts and cultural activities for the whole community.

The voluntary sector is also significant part of the Canadian economy, contributing over \$70.5 billion to Canada's Gross Domestic Product (GDP) in 2001. In fact, the GDP of the sector is larger than the mining, oil and gas extraction industry and more than 50 per cent larger than Canada's entire retail trade industry.

Voluntary sector organizations are often the results of grassroots initiatives that address a need in the local community. Over time, the organizations reflect and respond to the community's needs as they change and grow. All together, voluntary sector organizations play a critical role in shaping our country as a whole and will play an increasingly important role in ensuring the future prosperity of Canada.

The Relationship between the Voluntary Sector and the Government of Canada

We are pleased that in recent months Prime Minister Stephen Harper has recognized that the “charitable sector plays an invaluable role in helping Canadians and making our communities strong. They provide important services and often partner with governments to provide services Canadians need and depend on.” As well, we applaud Prime Minister Harper’s support for the elimination of capital gains tax on the donation of listed stocks.

The relationship between the Federal Government and the voluntary sector is multi-faceted. Often, to meet its mandate and address key priorities, the Government partners with community-based nonprofits and charities to deliver program and services on their behalf in communities across Canada. As well, through the Canada Revenue Agency, the government regulates charities and provides information about charities to all Canadians.

Voluntary sector organizations are also a key partner in the development and implementation of government policy. As organizations who work on the ground in areas across the community, charities and nonprofits have hands-on knowledge and expertise that is critical to the development of effective public policy.

As we move forward, we look forward to continuing to build a strong and mutually beneficial relationship with the Federal Government to help foster strong communities that are at the foundation of a better Canada for all Canadians.

Recommendations for the Government of Canada

The Calgary Chamber of Voluntary Organizations urges the Government of Canada to consider the following recommendations:

Recommendation #1

Ensure appropriate and meaningful accountability mechanisms are in place for the voluntary sector.

Charities and nonprofits share the Government’s desire for strong accountability practices to safeguard the public interest. However, any new reporting requirements must recognize the added cost burden that new measures impose on organizations, both through additional administrative and human resources costs, and the valuable time taken away from an organization’s core programs and services. As well, the development of any new measures should take into consideration that charities and nonprofits are already accountable to the Federal Government through a variety of mechanisms. Before introducing new measures, it is recommended that the Government assess the effectiveness of what is currently in place, and if needed, build on the existing infrastructure.

Recommendation #2

Continue to move towards regulatory improvement and simplification.

The Federal Government has made important changes to reduce the regulatory burden on charities and nonprofits, including work of the Voluntary Sector Initiative (VSI) on regulatory reform. The government is urged to continue this work in partnership with the voluntary sector to ensure that the needs of the government, the sector, and the Canadian public are effectively and efficiently met.

Recommendation #3

Move forward with the government's commitment to eliminate capital gains tax on listed stocks donated to charities.

Community-minded Canadians who choose to donate to an organization are a significant source of revenue for Canada's charities, and we urge the Government to move forward on the goal of eliminating the capital gains tax on the donation listed stocks.

Making this change would remove a significant obstacle that has prevented many donors from giving significant gifts to charitable organizations. In fact, research prepared by accounting firm Deloitte & Touche and TD Economics, has shown that eliminating the capital gains tax on such gifts would dramatically increase giving by hundreds of millions of dollars.

Recommendation #4

Ensure partnerships with the sector to deliver programs and services cover the full cost.

Often, to meet its mandate and to implement policies, the Government partners with locally-based nonprofits and charities to deliver services and programs to Canadians. The structure of these relationships should ensure that support for programs and services adequately covers the true cost of the program or service, including any related administrative costs. Funding the true costs supports the effectiveness of community-based organization and ensures they can effectively support the shared goal of meeting the needs of Canadians.

Recommendation #5

Build on the existing partnership between the voluntary sector and the Federal Government.

The Voluntary Sector Initiative (VSI) and the subsequent *Accord between the Government of Canada and the Voluntary Sector* and the *Code of Good Practice on Funding and Policy Dialogue* were important first steps towards a stronger partnership between the Federal Government and the voluntary sector. The Government is urged to continue to recognize the important contribution of the sector to the health of Canadian communities and the development of effective public policy. We look forward to

working with the Government to sustain and build on the momentum started by this important first step.

Recommendation #6

Support the National Survey of Nonprofit and Voluntary Organization (NSNVO) on an ongoing basis.

Until recently, very little was known about Canada's voluntary sector as a whole. With the release of the National Survey of Nonprofit and Voluntary Organizations (NSNVO) and Statistics Canada's Satellite Account for nonprofits and voluntary sector organizations, we have started to build consistent, reliable data about the nature, scope, and size of the sector, and its significant contribution to the Canadian economy.

The data has identified that the voluntary sector is an important part of the Canadian economy. In fact, in 2000, the GDP of the whole sector was larger than the mining, oil and gas extraction industry and more than 50 per cent larger than Canada's entire retail trade industry. The data collected by NSNVO is valuable to government, the private sector, all Canadians and the voluntary sector itself. Quantitative data about this sector provides critical information about the role and contributions of the voluntary sector in our economy and infrastructure.

The new knowledge about the sector is valuable, but it is important to continue to collect data over the long term so we can monitor trends over time and understand changes that need to be addressed. For this reason, we urge the Government to consider providing sustainable funding for the NSNVO and integrating it into the national statistical system.

Conclusion

The implementation of the six recommendations presented in this pre-budget submission would provide the infrastructure nonprofit and charitable organizations need to help build better communities for all Canadians. These recommendations are built on the recognition that a Government priority is to ensure effective accountability practices are in place to safeguard the public interest.

As local organizations that understand the needs of their community, voluntary sector organizations look forward to an ongoing partnership with the Government of Canada to ensure the social and economic health and prosperity of Canadians and their communities far into the future.

The Calgary Chamber of Voluntary Organizations appreciates this opportunity to submit comments to the Department of Finance. If any questions about this submission should arise, please contact Katherine van Kooy, President and CEO of The Calgary Chamber of Voluntary Organizations at (403) 261-6655 or kvk@calgarycvo.org