

# Bulletin

Friday, 21 November 2008

## Prescribed Private Funds: Statistics

In March 2001, in an attempt to encourage private philanthropy, the Australian Government announced the introduction of a scheme, similar to that existing in the US, to allow individuals, families or groups to invest money in their own trust and then choose their own programme of giving for the benefit of deductible gift recipients (**DGRs**) of their choice. The scheme was based on the establishment of prescribed private funds (**PPFs**) and, true to form, the generous Australian spirit embraced the concept.

Latest figures, released by the Australian Taxation Office (**ATO**) on their website on 24 October 2008, reveal that there are currently 769 approved PPFs in Australia. Between July 2001 and June 2007, these PPFs together have received a whopping

\$1,353,420,624 in donations and distributed \$301,289,008 to DGRs across a variety of categories.

### PPF Statistics

Table 1 indicates that from 2007 to 2008 the total number of approved PPFs rose from 599 to 769, representing a 28% increase.

The available figures only include donations received and distributions made up to the end of the 2006/2007 financial year. However, Table 1 does show us that in the financial years ending in both 2006 and 2007, the value of the distributions made in each of those years represented around 24% of the donations received during the respective periods.

Table 1 also provides some interesting statistics relating to growth in the value of PPFs. From the end of the 2006 financial year to the end of the 2007 financial year the following occurred:



Financial year	Donations received \$	Distributions made \$	Closing value \$	Number approved	Total approved
2001	79,126,203	0	78,615,304	22	22
2002	53,041,569	6,706,975	133,714,806	59	81
2003	53,177,509	18,420,162	179,333,372	51	132
2004	155,657,519	27,458,217	332,015,573	89	221
2005	192,680,639	57,422,265	525,891,748	94	315
2006	348,025,630	74,208,548	849,513,839	125	440
2007	471,711,556	117,072,842	1,234,105,542	159	599
2008				170	769
<b>Total</b>	<b>\$1,353,420,624</b>	<b>\$301,289,008</b>			

Table 1 – Summary of donations received and distributions made by PPFs<sup>1</sup>

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- Closing value of assets increased by 45.27%.
- Total value of donations received increased by 35.53%.
- Total value of distributions made increased by 57.76%.

Given these growth rates, a conservative estimate may put the combined closing value of assets for 2008 at around \$1.5b, or a 25% increase on 2007.<sup>3</sup>

## Categories of Distributions

Since 2002, nine major categories of DGRs have received distributions from PPFs. There is also a category of "Other" DGRs which has received a combined total of \$51,626,356 in distributions since 2002.

The category that has consistently received the biggest annual distribution of funds is the "Welfare" category. In total, since 2002, this category of DGRs has received \$96,470,643. "Cultural organisations" are the next favoured category, having received a total of \$52,758,291.

It should be noted when viewing the figures that categories such as "Family" and "Sports and recreation" have only been receiving distributions from PPFs since 2006, which goes some way to explain why the figures for these two categories appear significantly lower than some of the other categories. Further, there are six categories that are yet to receive any distribution.

	2002	2003	2004	2005	2006	2007	Total
Health	549,141	390,113	1,382,296	2,447,707	5,720,830	6,467,748	16,957,835
Education	851,036	3,451,638	4,234,797	12,596,664	12,222,161	7,719,688	41,075,984
Research	199,800	577,732	1,322,925	598,928	2001,817	1,359,519	6,060,721
Welfare	2,780,203	8,315,269	9,593,833	23,518,609	22,496,753	29,765,976	96,470,643
Defence	0	0	0	0	0	0	0
Environment	176,000	541,253	1,057,177	1,917,820	5,797,762	6,601,412	16,091,424
Industry, trade and design	0	0	0	0	0	0	0
Family	0	0	0	0	5,000	10,000	15,000
International affairs	121,020	417,707	4,008,264	4,872,084	4,831,781	5,876,018	20,126,874
Sports and recreation	0	0	0	0	64,500	41,380	105,880
Philanthropic trusts	0	0	0	0	0	0	0
Cultural organisations	761,345	2,549,380	2,893,616	2,310,460	5,204,626	39,038,865	52,758,291
Fire and emergency organisations	0	0	0	0	0	0	0
Other	1,268,430	2,177,070	2,965,309	9,159,992	15,863,318	20,192,237	51,626,356
<b>Total</b>	<b>6,706,975</b>	<b>18,420,162</b>	<b>27,458,217</b>	<b>57,422,265</b>	<b>74,208,548</b>	<b>117,072,842</b>	<b>301,289,008</b>

Table 2 – Distributions by category (\$)²

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The following chart shows the distribution across the categories as a percentage (it does not include those categories that have not received anything by way of a distribution from a PPF).



<sup>1</sup> <http://www.ato.gov.au/nonprofit/content.asp?doc=/Content/00163533.htm> downloaded on 19 November 2008.  
<sup>2</sup> <http://www.ato.gov.au/nonprofit/content.asp?doc=/Content/00163533.htm> downloaded on 19 November 2008.  
<sup>3</sup> [http://philanthropywiki.org.au/index.php/Category:Prescribed\\_Private\\_Fund](http://philanthropywiki.org.au/index.php/Category:Prescribed_Private_Fund) downloaded on 19 November 2008.