

# K The 2016 Koda Capital Australian Giving Snapshot

A snapshot of Australian giving based on completed tax returns for the 2014 year.

35.1%

of tax-payers made a tax-deductible gift



58.8%

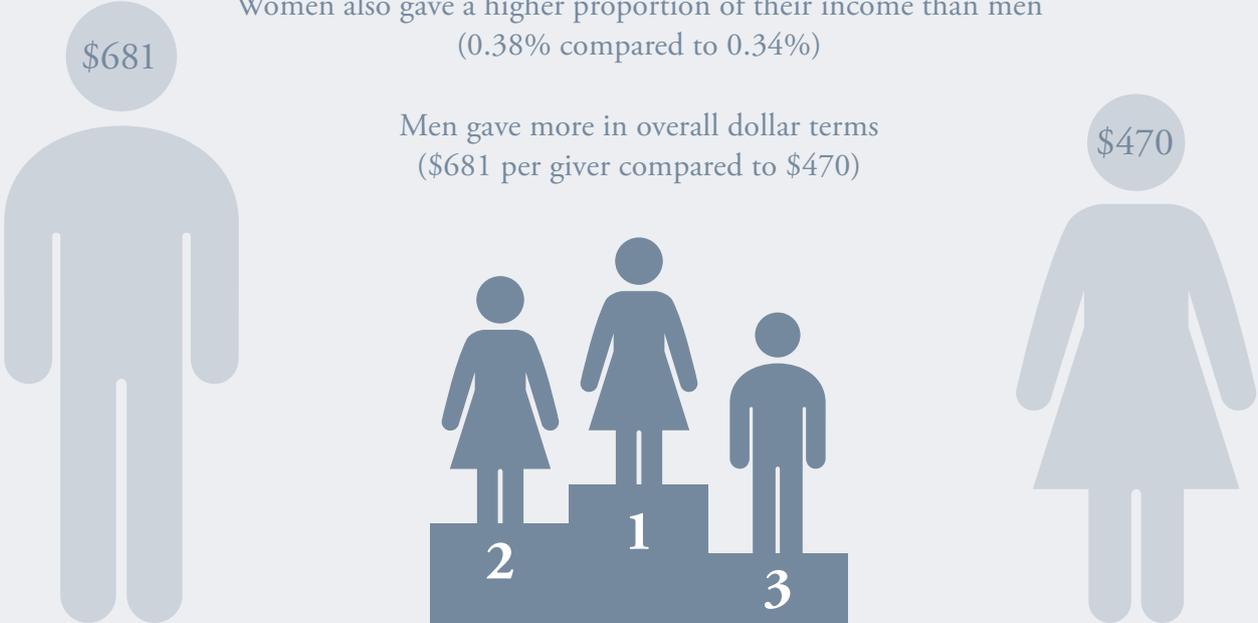
of tax-payers with taxable income over \$1m made a deductible gift



A higher proportion of women than men made a deductible gift (36.5% compared to 33.8%)

Women also gave a higher proportion of their income than men (0.38% compared to 0.34%)

Men gave more in overall dollar terms (\$681 per giver compared to \$470)



Tax-deductible giving **increased** 11.7% to \$2.6 billion

The average gift **increased** 14.2% to \$576

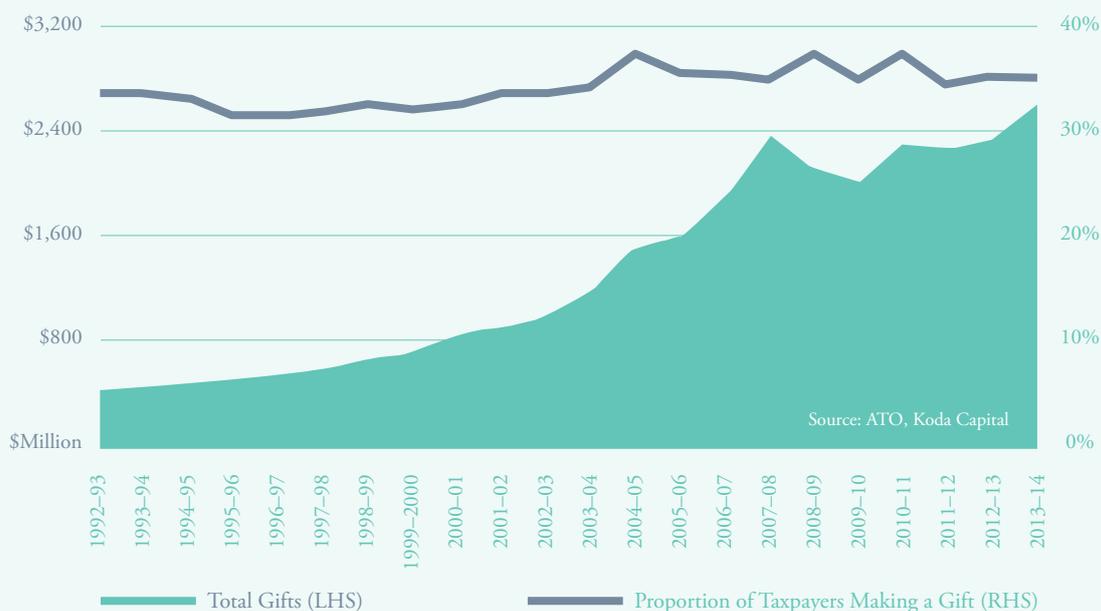
The number of tax-deductible gifts **decreased** 2.2% to 4.5 million donations

Donations through Workplace Giving **increased** 10.7% to \$31 million

Donations into PAFs **increased** 76% to \$517 million

Tax-deductible giving outside of PAFs and PuAFs **decreased** 6.1%

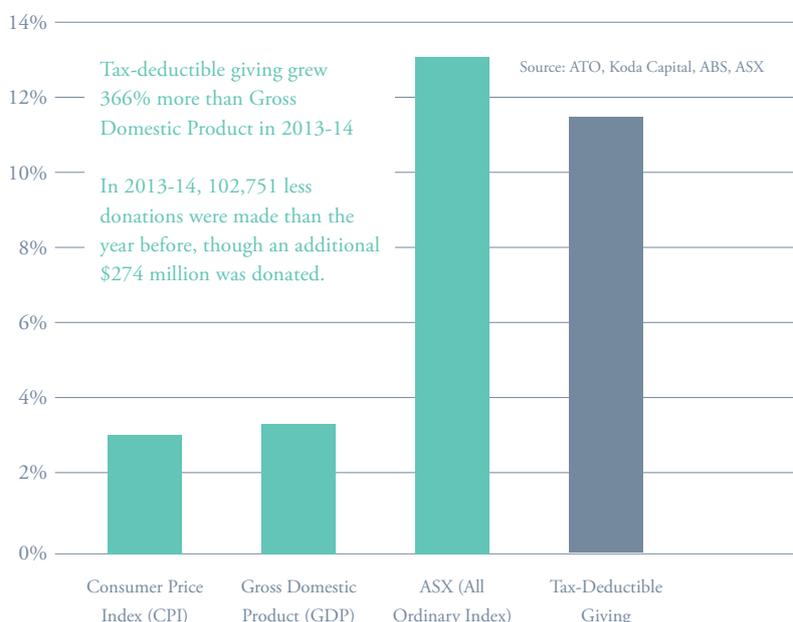
### History of Australian Tax-Deductible Giving



## Overview

The Australian Taxation Office (ATO) recently released their 2013-14 taxation statistics and we are pleased to report that it marked a good year for tax-deductible giving in Australia. The year saw an 11.7% increase in giving, driven by increased contributions to Private Ancillary Funds (PAFs) and Public Ancillary Funds (PuAFs) along with Workplace Giving. However, there remains immense upside in Workplace Giving, with under 5% of employees offered it actually taking it up. Females led the charge, with a greater proportion of female tax-payers giving and giving a greater proportion of their taxable income than males. NSW had the highest average gift and the greatest level of tax-deductible gifts claimed as a proportion of taxable income. The ACT had the highest proportion of tax-payers claiming a gift. Pleasingly, as a proportion of their taxable income, tax-payers in 2013-14 claimed 0.35% in tax-deductible gifts, up from 0.32% in 2012-13.

## Year on Year Growth



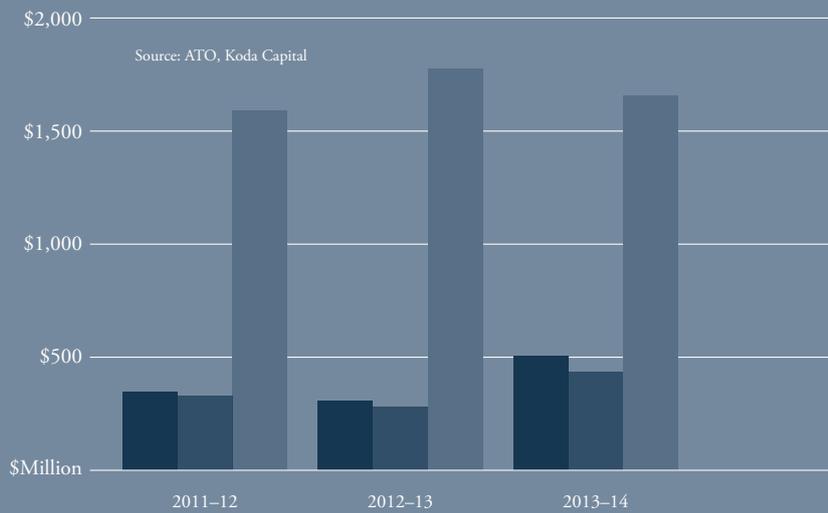
## Breakdown of Tax-Deductible Giving

Donations into PAFs represented 19.8% of tax-deductible giving

Combined, donations into PAFs & PuAFs represented 36.4% of tax-deductible giving

Individuals working in 'Agriculture, Forestry & Fishing' had the highest average gift of any industry at \$2,777

Individuals in the 'Electricity, Gas, Water & Waste Services' industry gave the highest proportion of taxable income at 0.99%



## Giving by State & Territory

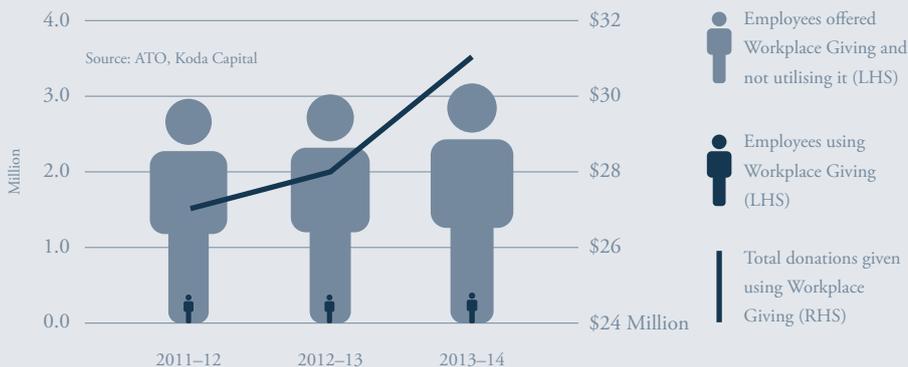
Average Gift Size

Proportion Tax-Payers Claiming a Deductible Gift

Proportion of Taxable Income Claimed



## Workplace Giving



The number of employees using Workplace Giving rose 10.1% between 2012-13 & 2013-14

The number of employees offered Workplace Giving rose 8.5%

4.7% of employees offered Workplace Giving took it up, representing 156,289 individuals

Over 3.1 million employees offered Workplace Giving didn't take it up

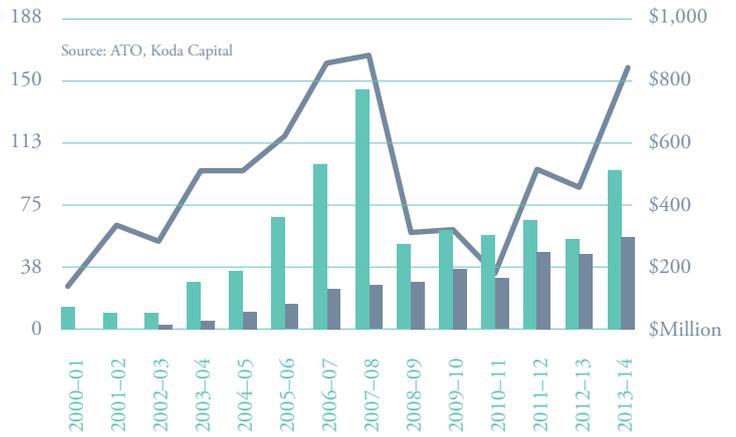
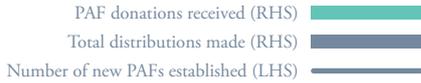
## Private Ancillary Funds (PAFs)

The average distribution per PAF was \$249,766

153 PAFs were established in 2013-14, up 82.1% on the previous year

Since 2001-02 \$4.27 billion has been donated into PAFs and \$1.78 billion has been distributed

The average contribution into PAFs has been \$3.6 million



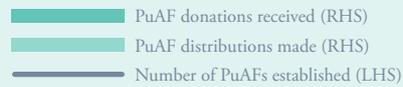
## Public Ancillary Funds (PuAFs)

The average distribution per PuAF was \$213,135

91 PuAFs were established in 2013-14, down 8.1% from the previous year

Donations into PuAFs increased 58% to \$435 million

\$330 million was distributed from PuAFs compared to \$301 million from PAFs



Source: ATO, Koda Capital

## Income and Giving

As a proportion of taxable income, individual taxpayers claimed 0.35% in tax-deductible gifts

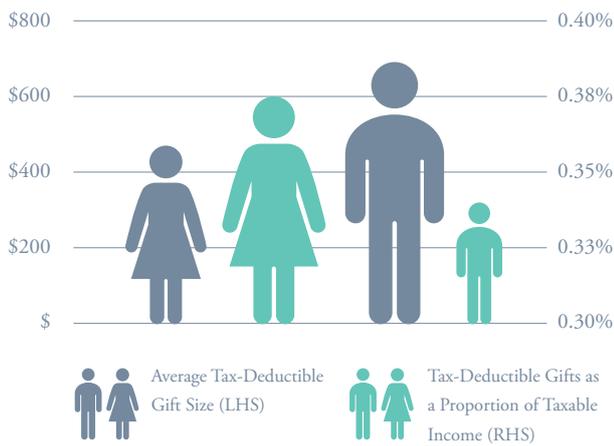
Wealthy Australians gave more of their income and were more likely to give than less well off Australians

59% of individuals with taxable income over \$1m and 53% over \$150k claimed a tax-deductible gift compared to 34% on incomes \$150k and below

Tax-deductible giving only represented 7.8% of total deductions claimed. The cost of managing tax affairs represented 6.9% of total deductions



Source: ATO, Koda Capital



## Gender and Giving

The average gift for male givers was \$681 and \$470 for female givers

As a proportion of taxable income females gave 0.35% compared to males who gave 0.34%

36.5% of female tax-payers claimed a tax deductible gift compared to 33.8% of males

Males claimed \$1.55 billion in tax-deductible gifts compared to \$1.06 billion claimed by females

## Conclusion

After a disappointing previous year, it is pleasing to see tax-deductible giving bounce back. It is encouraging to see continued growth in Workplace Giving and PAFs, two initiatives that came out of the original Prime Minister's Community Business Partnership (PMCBP) over a decade ago. We hope that the recently reinstated PMCBP will act as a catalyst for further growth in giving.

Unfortunately, giving outside of gifts to PAFs and PuAFs fell 6.1% and the overall proportion of tax-payers claiming a tax-deductible gift fell slightly to 35.1%. Sadly 102,751 fewer tax-deductible claims were made. There is still work to be done to encourage a culture of giving in Australia.

It should be noted that whilst tax-deductible giving is an important indicator of our nation's generosity, it does not tell the entire story. Increasingly, Australians are using other mechanisms to have a positive impact on the community, whether through purchasing goods and services from social enterprises, investing in impact investment opportunities or enacting change through shared value initiatives in their workplaces.

Koda Capital looks forward to discussing these giving statistics with you and how together we can further develop a culture of giving in Australia.

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Our advisers have collectively assisted hundreds of families and non-profit organisations achieve their goals. Our team serve on charity boards, have co-founded giving circles, managed public ancillary funds, have studied non-profit leadership at institutions such as Harvard and have led major philanthropic and trustee advisory businesses in Australia.

Please direct enquiries to your Koda adviser, or a member of our Philanthropy & Social Capital team:



David Knowles  
Partner | Head of Philanthropy  
& Social Capital  
david.knowles@kodacapital.com  
0429 726 277



Chris Wilson  
Partner | Philanthropy  
& Social Capital  
chris.wilson@kodacapital.com  
0428 866 607

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