

## **TAX TIME A BOOST FOR PRIVATE CHARITABLE TRUSTS**

Tax time this year has provided a \$20 million dollar boost for the charity sector, with the Assistant Treasurer, Senator Nick Sherry, approving the registration of 36 private charitable trusts.

"The Rudd Government continues to encourage a strong culture of private philanthropy in Australia," the Assistant Treasurer said today.

"The registration of these funds has allowed them to receive a substantial amount of charitable donations at the end of the 2008-09 financial year."

"We are all aware the global economic conditions are affecting charities, so it's good to see the continuing commitment of Australians to private philanthropy even in these times."

"Private trusts have received more than \$1.35 billion in donations since they were first registered in 2001."

"There are now around 800 of these funds and they have donated more than \$300 million for recognised charitable works," the Assistant Treasurer said.

The funds, known as Prescribed Private Funds, provide businesses, families or individuals greater flexibility to start and run their own trust funds for philanthropic or charitable purposes.

Families and individuals can donate to a trust of their own, which then distributes funds to a range of other tax deductible entities. Donations to a trust are tax deductible.

The Rudd Government recently introduced legislation into Parliament to overhaul the regulation of these funds and create greater accountability and certainty in how they are established and managed. One immediate result is that from October 1, PPFs will be known as Private Ancillary Funds (PAFs).

"These types of funds create new opportunities for private philanthropy and the Rudd Government last month introduced legislation to further improve this process."

"From October 1, there will be a new and comprehensive framework for private funds that will boost the integrity of our tax system and help the funds deliver strong philanthropic outcomes," the Assistant Treasurer said.

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