

**AN EXAMINATION OF TAX—
DEDUCTIBLE DONATIONS MADE
BY INDIVIDUAL AUSTRALIAN
TAXPAYERS IN 2003-04**

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It seeks to promote the understanding of philanthropy and nonprofit issues by drawing upon academics from many disciplines and working closely with nonprofit, practitioners, intermediaries and government departments. CPNS's mission is "to bring to the community the benefits of teaching, research, technology and service relevant to philanthropic and nonprofit communities".

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1.0 EXECUTIVE SUMMARY

1.1 Overview of the Research

Each year QUT's Centre of Philanthropy and Nonprofit Studies collects and analyses statistics on the amount and extent of tax-deductible donations made and claimed by Australians in their individual income tax returns to deductible gift recipients (DGRs). The information presented below is based on the amount and type of tax-deductible donations made and claimed by Australian individual taxpayers to DGRs for the period 1 July 2003 to 30 June 2004.

This information has been extracted mainly from the Australian Taxation Office's (ATO) publication *Taxation Statistics 2003-04*. The 2004 report is the latest report that has been made publicly available. It represents information in tax returns for the 2003-04 year processed by the ATO as at 31 October 2005.

This study uses information based on published ATO material and represents only the extent of tax-deductible donations made and claimed by Australian taxpayers to DGRs at Item D9 Gifts or Donations in their individual income tax returns for the 2004 income year. The data does not include corporate taxpayers. Expenses such as raffles, sponsorships, fundraising purchases (eg, sweets, tea towels, special events) or volunteering are generally not deductible as 'gifts'. The Giving Australia Report estimated 2005 year total giving at \$11 Billion including this wider definition of giving, but excluding Tsunami donations.¹

1.2 Executive Summary

The following is a summary of the significant statistics that are further analysed in this paper.

General Information:

- The total amount donated and claimed as tax-deductible donations in 2003-04 was \$1.16 Billion (compared to \$988 million for the previous income year). This constitutes an increase of \$176.4 million (or 17.85%) from the previous income year. This is the first time deductible gifts have exceeded a billion dollars.
- In 2004, Australian taxpayers claimed \$1,106 million in tax agent fees deductions. For the first time since records have been kept, gift deductions now exceed tax preparation deductions. The gift deduction represents 5.1% of individual taxpayer's total deductions, work related expenses being almost 50% of all deductions claimed. Gift deductions represent 5.1% of personal taxpayer deductions.
- Using a base year of 1978-79, the actual total tax-deductible donations made by Australian taxpayers is far exceeding the inflation-adjusted total tax-deductible donation as measured by the Consumer Price Index (CPI).
- The average tax-deductible donation made and claimed by Australian taxpayers to DGRs in 2004 was \$300.61 (compared to \$259.95 the previous income year). This is the first time average gift deductions have exceeded \$300. This average amount

¹ Report available at <http://www.bus.qut.edu.au/research/cpns/whatweresearch/documents/GivingAustraliaFindings.pdf>

has doubled in the last decade. Using a base year of 1978-79, the actual average tax-deductible donation is far exceeding the inflation-adjusted average tax-deductible donation as measured by the CPI.

- In 2003-04, 3,874,128 Australian taxpayers (or 35.29% of the Australian taxpaying population) made and claimed tax-deductible donations. This percentage has been increasing slightly over the past eleven years and is at its highest level since 1992-93.
- On average, those individual taxpayers who make tax-deductible donations to DGRs donate approximately 0.29% of their taxable income. Once again, this trend has been increasing slightly over the past eleven years and is at its highest level since 1992-93.

Gender:

- In 2003-04, 2,022,398 male taxpayers (representing 60% of the total) made and claimed tax-deductible donations to DGRs totalling \$694.99 million. 1,851,730 female taxpayers made and claimed tax-deductible donations to DGRs totalling \$469.63 million in 2003 (representing 40% of the total).
- The average tax-deductible donation made and claimed by Australian male taxpayers to DGRs in 2004 was \$343.64 and \$253.62 for Australian female taxpayers.
- In 2003-04, 35.49% of Australian male taxpayers and 35.06% of Australian female taxpayers made and claimed tax-deductible donations to DGRs. The national average was 35.29%.
- On average, male Australian taxpayers who made tax-deductible donations to DGRs donated approximately 0.284% of their taxable income and Australian female taxpayers donated 0.313% of their taxable income.

State of Residence:

- A total of 1.3 million taxpayers in **New South Wales** claimed tax-deductible donations to DGRs of \$511 million. This amount represented almost 44% of the national total. The next largest donor state was **Victoria** with 1,046,516 taxpayers who made and claimed tax-deductible donations to DGRs of \$306 million, representing 26% of the national total. More than 697,000 **Queensland** taxpayers claimed tax-deductible donations totaling \$146 million. This represented 12.5% of the national total. Together, these three states accounted for 83% of total tax-deductible donations made to DGRs in 2003-04.
- **New South Wales** taxpayers made and claimed the largest average tax-deductible donation to DGRs of \$393.03 compared to the national average of \$300.61. **Australian Capital Territory** taxpayers made the next highest average tax-deductible donation to DGRs with \$304.24, followed by **Victoria** with an average tax-deductible donation of \$292.57. **Queensland** taxpayers made and claimed an average tax-deductible donation in 2004 of \$209.99.
- Taxpayers in **New South Wales** donated an average of 0.37%, followed by **Australian Capital Territory** taxpayers who donated 0.32% of their taxable income to DGRs. This compares to the national average of 0.295%. Taxpayers in

Victoria donated an average of 0.31% of their taxable income to DGRs, whilst **Queensland** taxpayers donated an average of 0.2%.

Income Bands:

- The more one earns, the more one makes and claims as a tax-deductible donation. In 2003-04, the average tax-deductible donation made and claimed by taxpayers in the \$50,000-\$99,999 income band was \$287.18. The average tax-deductible donation made and claimed by individual taxpayers to DGRs in the \$100,000-\$499,999 income band increased to \$1,065.43.
- The average tax-deductible donation made and claimed by individual taxpayers to DGRs earning over \$1 million per year was \$73,355.44 (compared to \$40,867 last year).
- In 2002-03, 50.28% of taxpayers in the \$50,000-\$99,999 income band made and claimed tax-deductible donations to DGRs. This compares to the national average of 35.29%. When analysing the \$100,000-\$499,999 income band taxpayers, this percentage increased to 55.06%. A total of 63.23% of taxpayers earning over \$1 million made and claimed tax-deductible donations to DGRs in 2003, almost twice the national average of 35.29%.
- Taxpayers earning over \$1 million donated approximately 2.4% of their taxable income to DGRs. This was more than eight times the national average of 0.29%.

Industry:

- The highest average tax-deductible donations made and claimed by individual sole trader taxpayers in 2003-04 came from taxpayers engaged in cultural and recreational services. These taxpayers made an average tax-deductible donation of \$1,048.21. The next highest came from sole trader taxpayers engaged in primary production who made and claimed an average tax-deductible donation of \$854.41. Sole trader taxpayers engaged in finance and insurance services made and claimed an average tax-deductible donation in 2004 of \$724.62 The national average was \$300.61
- At the opposite end of the scale, the lowest average tax-deductible donations made and claimed in 2003-04 came from salary and wage earners with \$159.17. Next lowest were sole trader taxpayers engaged in the communication industry with an average tax-deductible donation of \$181.54 and construction with an average tax-deductible donation of \$187.71.

2.0 WHAT IS A TAX-DEDUCTIBLE GIFT?

According to Division 30 of the Income Tax Assessment Act 1997 (Cth) (ITAA 1997), taxpayers are entitled to claim a tax deduction for gifts (ie. donations) made during the income year to endorsed DGRs. There are two (2) elements which must be present in order to claim a tax-deduction:

- (a) it must be a gift; and
- (b) it must be made to a DGR.

The term "*gift*" is not defined in either the ITAA 1936 or 1997. As a consequence, it takes on its ordinary meaning. However, for a gift to be a tax-deductible donation and claimed as an income tax deduction in personal income tax returns, the gift must usually have the following characteristics:

- there is a transfer of the beneficial interest in property;
- the transfer is made voluntarily;
- the transfer arises by way of benefaction; and
- no material benefit or advantage is received by the giver by way of return.

Generally, for a payment to be considered a gift, it must be unfettered, that is, there must be no obligation to do anything in recognition of the gift and no expectation on the part of the donor to receive anything in return for the donation (ie. no strings attached).

Where a payment constitutes a bona-fide gift, then the donor is entitled to claim the amount given as an income tax deduction under Division 30. In contrast, the following are **not** usually considered gifts:

- purchase of raffle or art union tickets;
- purchase of an item such as a mug, key ring or pen which is not merely a token that promotes the DGR or its activities. Such tokens which are commonly given in fundraising drives include lapel badges, bumper stickers, red noses, Legacy pins, daffodils on Daffodil Day and so on;
- the cost of attending a fundraising dinner, even if the cost exceeds the value of the dinner. However, there are new contribution rules that apply from 1 July 2004 for minor benefits made to DGRs;
- payments to school building funds as an alternative to an increase in school fees;
- membership fees; and
- payments where the person has an understanding with the recipient that the payment will be used to provide a benefit to the donor.

On 20 July 2005, the ATO released *Taxation Ruling* TR 2005/13 Tax Deductible Gifts – What is a Gift? This taxation ruling supersedes several other taxation rulings and taxation determinations and represents the most comprehensive taxation ruling issued by the Australian Taxation Office on the subject of tax-deductible gifts. TR 2005/13 contains 230 paragraphs, 81 worked examples and spans 47 pages.

Categories of Deductible Gift Recipients

From 1 July 2000, pursuant to Subdivision 30-BA of the ITAA (1997), the Commissioner of Taxation must endorse both Income Tax Exempt Charities (ITECs) and DGRs.

If a DGR is not endorsed by the Commissioner, donors will be unable to claim income tax deductions for gifts made on or after 1 July 2000 under Division 30 of the ITAA (1997).

Sub-Division 30B of the ITAA (1997) outlines the 12 general categories of entities and funds that have been endorsed by the Commissioner of Taxation as DGRs.

The general categories are:

- health (Section 30-20);
- education (Section 30-25);

- research (Section 30-40);
- welfare and rights (Section 30-45);
- defence (Section 30-50);
- environment (Section 30-55);
- the family (Section 30-70);
- international affairs (Section 30-80);
- sports and recreation (Section 30-90);
- philanthropic trusts (Section 30-95);
- cultural organisations (Section 30-100); and
- other recipients consisting of ancillary funds (Section 30-105).

In addition to the above general categories of funds, authorities, institutions and organisations, gifts of \$2 or more made to specific recipients specified in Sections 30-15 to 30-100 are also deductible to the donor.

However, these are only the general categories. This is not the full list of DGRs. Donors can check the status of a DGR by searching the Australian Business Register.²

Only certain types of gifts are specifically made tax-deductible under Division 30. These include:

- *gifts of \$2 or more (money);*
- *property which has been purchased by the donor less than 12 months before the gift was made;*
- *property valued by the Commissioner as over \$5,000;*
- *trading stock disposed of outside the ordinary course of business;*
- *cultural gifts, being property made under the Cultural Gifts Program;*
- *cultural bequests, being property made under the Cultural Bequests Program; and*
- *heritage gifts.*

In order to claim the amount of their tax-deductible donation to a DGR, donors are required to keep records of their gifts. DGRs are not required by income tax law to issue receipts for deductible gifts, but most do, as the donor will need a receipt in order to substantiate the claim made.

New Philanthropic and Giving Taxation Initiatives

On 26 March 1999, the Prime Minister issued a press release announcing various income tax measures to encourage greater corporate and personal philanthropy in Australia. A summary of these new measures include:

- establishment of prescribed private funds (PPFs);
- gifts of property over \$5,000;
- 5-year averaging of donations;
- deductions for workplace giving;
- conservation covenants;
- capital gains tax exemption under the Cultural Gifts Program;
- deductions for fundraising dinners and similar events; and
- health promotion charities.

Each of these taxation incentives are briefly discussed below in more detail.

² For further information refer to <http://www.business.gov.au>

Further incentives have been suggested and developed by the Prime Minister's Community Business Partnership since 1999. These incentives which involve the taxation regime have been gradually rolled out since 1999.³

a. Establishment of Prescribed Private Funds (PPFs)

One measure involved the establishment of the PPFs. A prescribed private fund is a fund established by will or trust instrument with:

- DGR status (that is, gifts to it are deductible to the donor);
- normally, income tax exempt status (that is, its income is exempt from income tax); and
- the ability to attract a variety of other Commonwealth, State and Territory tax and duty concessions.

There is no need for gifts to a PPF to be sought and received from the public and a PPF can be controlled by an individual, family or corporate group. This is a removal of a major barrier to philanthropy, as it was often difficult to satisfy the previous test of "public donations" before a fund would be a DGR.

The PPFs prescribed by REG 995-1.02 in respect of Section 995-1 of the ITAA (1997) are listed in Table 1 on the following page. As at 30 June 2003, a total of 132 PPFs had been approved. By 30 June 2004 another 96 have been added, bringing the total number of approved PPFs to 228. As at 23 March 2006, 339 PPF's had been approved and published in the Income Tax Assessment Regulations 1997. The 2006 Federal Budget papers released May 2006 noted that "since the mid-year economic and fiscal outlook 2005-06 there have been 29 funds approved for prescription as Prescribed Private Funds (PPF's), and one declaration that a fund is no longer a PPF."⁴

³ For further information refer to <http://www.partnerships.gov.au>

⁴ Budget Paper No. 2 Part 1 http://www.budget.gov.au/2006-07/bp2/html/bp2_revenue-07.htm

**Table 1: List of Prescribed Private Funds (PPFs)
as at 1 May 2006**

Item	Name of Fund	Date, or period, of effect
1	Nelson Meers Foundation	21 June 2001
2	Sargents Foundation Sub-Fund	21 June 2001
3	The Andersen Foundation	21 June 2001
4	Brencorp Foundation	22 June 2001 to 22 April 2005
5	Gandel Foundation	22 June 2001
6	Gonski Foundation	22 June 2001
7	Humanity Trust	22 June 2001
8	Levy Foundation	22 June 2001
9	The CINS Foundation	22 June 2001
10	The Cuthbert Foundation	22 June 2001
11	The F&J Ryan Foundation	22 June 2001
12	The Joan & Peter Clemenger Trust	22 June 2001
13	The Parncutt Family Foundation	22 June 2001
14	The Pratt Family Foundation	22 June 2001
15	The Rodney & Judith ONeil Foundation	22 June 2001
16	The Sentinel Foundation	22 June 2001
17	The Charitable Foundation	25 June 2001
18	The Noble Foundation	27 June 2001
19	The Sarah and Baillieu Myer Family Foundation	27 June 2001
20	Wind Over Water Foundation	27 June 2001
21	The Aranday Foundation	28 June 2001
22	The Mill House Foundation	11 July 2001
23	Hunter Hall Charitable Fund	16 August 2001
24	The International Children's Foundation	23 August 2001
25	The Brian and Maxine Newell Prostate Cancer Research Foundation	17 September 2001
26	Barrie Bailey Foundation	3 October 2001
27	The Rotary Club of Hillarys Community Foundation	3 October 2001

Item	Name of Fund	Date, or period, of effect
28	The Western Australian Club Foundation	3 October 2001
29	Yeast Foundation	20 December 2001
30	The A & E Finkel Foundation	14 February 2002
31	The Caledonia Foundation	14 February 2002
32	The Clipsal Fund	25 March 2002 to 24 November 2003
33	AB's Trek for Kids Foundation	26 March 2002 to 30 June 2004
34	Dubler Family Foundation	26 March 2002
35	Booze Brothers Staff Charitable Fund	26 March 2002
36	The Dianne Kemp Foundation	22 April 2002
37	The Mount Scopus College Foundation Trust	22 April 2002
38	John Collier Foundation	22 April 2002
39	Collection House Foundation	22 April 2002 to 15 August 2005
40	The Coca-Cola Australia Foundation	22 April 2002
41	The Margaret Lawrence Bequest	22 April 2002
42	The Dawson Family Foundation	22 April 2002
43	AACFE Charitable Foundation	22 April 2002
44	Paul Ainsworth Charitable Foundation	5 June 2002
45	Philandron Foundation	5 June 2002
46	Philip and Vivien Brass Charitable Foundation	5 June 2002
47	The Albrecht Foundation Trust	5 June 2002
48	The Berg Family Foundation	5 June 2002
49	The Michael & Andrew Buxton Foundation	5 June 2002
50	The Samuel Nissen Charitable Foundation	5 June 2002
51	R & M Champion de Crespigny Foundation	11 June 2002
52	The Flew Foundation	11 June 2002
53	Accenture Australia Foundation	14 June 2002
54	Andyinc Foundation	14 June 2002
55	Bennelong Foundation	14 June 2002
56	Glencoe Foundation	14 June 2002

Item	Name of Fund	Date, or period, of effect
57	Guthrie Family Memorial Fund	14 June 2002
58	Hill Charitable Foundation	14 June 2002
59	JBWere Foundation	14 June 2002 to 11 December 2003
60	Jewish Holocaust Centre Foundation	14 June 2002
61	John Lambie Foundation	14 June 2002
62	Key Foundation	14 June 2002
63	Leeuwin Estate Foundation	14 June 2002 to 17 November 2004
64	Lifework Foundation	14 June 2002
65	Mannkal Economic Education Foundation	14 June 2002
66	New Start Foundation	14 June 2002
67	Schaffer Foundation	14 June 2002
68	The Angel Fund	14 June 2002
69	The Bamford Family Foundation	14 June 2002
70	The Isabel and John Gilbertson Charitable Trust	14 June 2002
71	The Jackson Family Foundation	14 June 2002
72	The Teen Spirit Charitable Foundation	14 June 2002
73	The Thomas Foundation	14 June 2002
74	The William & Rita Rogers Charitable Foundation	14 June 2002
75	Trust for Nature Foundation	14 June 2002
76	Wilson Foundation	14 June 2002
77	The Manildra Foundation	26 June 2002
78	The McVay Foundation	26 June 2002
79	The Rainbow Charitable Foundation	26 June 2002
80	Onbass Foundation	5 August 2002
81	Schools' Canteen Education Foundation of Australia	5 August 2002
82	The Perini Family Foundation	5 August 2002
83	The Global Community Foundation	3 September 2002
84	The Jessie Salmond Foundation Fund	10 September 2002
85	The Vodafone Australia Foundation	10 September 2002
86	Jackson McDonald Community Foundation	11 September 2002

Item	Name of Fund	Date, or period, of effect
87	Pickard Foundation	9 October 2002
88	Cassandra Ganter Foundation	14 October 2002
89	Four Winds Foundation	14 October 2002
90	The Keith Murton Foundation	21 October 2002
91	The Jreissati Foundation Trust	29 October 2002
92	R.M. Brown Environmental Foundation	11 November 2002
93	The Mount Scopus Memorial College B'Nei Mitzvah Foundation	20 December 2002
94	The Greatorex Foundation	20 December 2002
95	The Robert and Jennifer Ferguson Charitable Trust	20 December 2002
96	The Vittorio Romano 1 Foundation	20 December 2002 to 17 July 2003
97	James N Kirby Foundation	7 May 2003
98	The Minimbah Foundation for Youth	7 May 2003 to 19 May 2003
99	The Peters Family Foundation	20 May 2003
100	A Celebration of Life Foundation	24 June 2003
101	Abey Foundation	24 June 2003
102	Five Talents Foundation	24 June 2003
103	Hillcrest Foundation	24 June 2003
104	Janina and Bill Amiet Foundation	24 June 2003
105	Josef Reisinger Foundation	24 June 2003
106	McLean Perpetual Children's Foundation	24 June 2003
107	N.J. Innis Charitable Foundation	24 June 2003
108	Peter Isaacson Foundation	24 June 2003
109	The Alfred and Jean Dickson Charitable Foundation	24 June 2003
110	The Bell Shakespeare Company Foundation	24 June 2003 to 19 April 2004
111	The Clitheroe Foundation	24 June 2003
112	The George Lewin Foundation	24 June 2003
113	The Harvard Club of Australia Foundation	24 June 2003
114	The Himalayan Foundation of Australia Trust	24 June 2003
115	The Johanna Sewell Memorial Fund	24 June 2003

Item	Name of Fund	Date, or period, of effect
116	The Lidia Perin Foundation	24 June 2003
117	The Maccabi Victorian Sports Foundation	24 June 2003
118	The O'Neill Foundation	24 June 2003
119	The Orcadia Foundation	24 June 2003
120	The Peggy Charitable Foundation	24 June 2003
121	The Reym Fund	24 June 2003
122	The Werled Foundation	24 June 2003
123	The William and Georgena Bradshaw Foundation	24 June 2003
124	Thornhill Foundation	24 June 2003
125	Taranto Cultural Foundation	24 June 2003
126	Dalcorp Foundation	30 June 2003
127	John and Marie Hill World Scout Jamboree Trust Fund	30 June 2003
128	PricewaterhouseCoopers Foundation	30 June 2003
129	Schapper Family Foundation	30 June 2003
130	Selim Foundation	30 June 2003
131	VM Romano Foundation	18 July 2003
132	The Arcus Foundation	8 September 2003
133	Clayton Utz Foundation	23 October 2003
134	Dibben Family Charitable Trust	23 October 2003
135	The Fair Go Foundation	23 October 2003
136	The Josephine Ulrick and Win Schubert Diversity Foundation	23 October 2003
137	The Judith Jane Mason and Harold Stannett Williams Memorial Foundation	23 October 2003
138	The Phileo Foundation	23 October 2003
139	The Reed Charity Trust	23 October 2003
140	The Sid Myer Family Foundation	23 October 2003 to 27 January 2005
141	The Gerard Fund	25 November 2003
142	Goldman Sachs JBWere Foundation	12 December 2003
143	Greenlight Foundation	3 February 2004
144	Horwath Charitable Trust	3 February 2004
145	Maple-Brown Family Charitable Trust	3 February 2004

Item	Name of Fund	Date, or period, of effect
146	Matana Foundation for Young People	3 February 2004
147	McGrath Family Foundation	3 February 2004
148	Sabemo Foundation	3 February 2004
149	Southern Paradise Foundation	3 February 2004
150	The JEM Foundation	3 February 2004
151	The Persephone Foundation	3 February 2004
152	Annieandjohnpaterson Foundation	10 February 2004
153	Neil & Norma Hill Foundation	10 February 2004
154	Pierce Armstrong Trust	10 February 2004
155	Rosella Foundation	10 February 2004
156	Sherman Foundation	10 February 2004
157	The Ernst & Young Foundation	10 February 2004
158	The MJFS Foundation	10 February 2004
159	The Shane Warne Foundation	10 February 2004
160	The Bell Shakespeare Development Trust	20 April 2004
161	Count Charitable Foundation	24 April 2004
162	Ilhan Foundation	24 April 2004
163	Kids and Families Foundation	24 April 2004
164	Purves Private Fund	24 April 2004
165	Rees Jones Foundation	24 April 2004
166	The ACCA Foundation	24 April 2004
167	The Allison Foundation	24 April 2004
168	The Besen Family Foundation	24 April 2004
169	The Boyd Group Foundation	24 April 2004
170	Acuity Evangelical Foundation Prescribed Fund	16 June 2004
171	Bamaga Foundation	16 June 2004
172	Becher Foundation	16 June 2004
173	Belalberi Foundation	16 June 2004
174	Bradley McKnight Foundation	16 June 2004
175	Donkey Wheel Fund	16 June 2004
176	Efron Family Foundation	16 June 2004

Item	Name of Fund	Date, or period, of effect
177	Fay Fuller Foundation	16 June 2004
178	Fouress Foundation	16 June 2004
179	Goodman Family Foundation	16 June 2004
180	Grosman Family Foundation	16 June 2004
181	H & K Johnston Family Foundation	16 June 2004
182	Heymanson Family Foundation	16 June 2004
183	Kel & Rosie Day Foundation	16 June 2004
184	Liangrove Foundation	16 June 2004
185	Mark Francis Butler Charity Foundation	16 June 2004
186	McLeod Family Foundation	16 June 2004
187	RobMeree Foundation	16 June 2004
188	Schudmak Family Foundation	16 June 2004
189	Steven Moss Foundation	16 June 2004
190	The Agape Charitable Fund	16 June 2004
191	The Brenda Shanahan Charitable Foundation	16 June 2004
192	The David Harold Tribe Charitable Foundation	16 June 2004
193	The Helen Lyons Foundation	16 June 2004
194	The Keir Foundation	16 June 2004
195	The Macintosh Foundation	16 June 2004
196	The Malcolm Robertson Foundation	16 June 2004
197	The Moore Family Philanthropic Foundation	16 June 2004
198	The Muffin Foundation	16 June 2004
199	The Neilson Foundation	16 June 2004
200	The Ray and Margaret Wilson Foundation	16 June 2004
201	The White Foundation	16 June 2004
202	Vernon Foundation	16 June 2004
203	Wolanski Foundation	16 June 2004
204	Aarons Foundation	17 June 2004
205	Costa Family Foundation	17 June 2004
206	Debbie Stach Memorial Fund	17 June 2004
207	Gleeson/O'Keefe Foundation	17 June 2004

Item	Name of Fund	Date, or period, of effect
208	Hear & Say Foundation	17 June 2004
209	Herbert And Valmae Freilich Prescribed Private Fund	17 June 2004
210	Molloy Family Foundation	17 June 2004
211	Montgomery Foundation	17 June 2004
212	Newcastle Permanent Charitable Foundation	17 June 2004
213	Next Generation Prescribed Private Fund	17 June 2004
214	Phil Little Design Foundation	17 June 2004
215	Pixifoto Foundation	17 June 2004
216	Skipper-Jacobs Charitable Trust	17 June 2004
217	Spotlight Charitable Foundation	17 June 2004
218	The Bill & Patricia Ritchie Foundation	17 June 2004
219	The Horizon Foundation	17 June 2004
220	The Nicol Foundation	17 June 2004
221	The Orica Community Foundation	17 June 2004
222	The Skellern Family Foundation	17 June 2004
223	The Springett Family Foundation	17 June 2004
224	Vincent Fairfax Ethics in Leadership Foundation	17 June 2004
225	WJ & MS Hughes Foundation	17 June 2004
226	Wythenshawe Foundation	17 June 2004
227	Leeuwin Estate Charitable Foundation	17 November 2004
228	Aboriginal Benefits Foundation	20 December 2004
229	Clubs Smile for a Child Foundation	20 December 2004
230	Shaddock Foundation	20 December 2004
231	The Jordan Family Charitable Trust	20 December 2004
232	The Trawalla Foundation	20 December 2004
233	Spinifex Trust	20 December 2004
234	The Corio Foundation	20 December 2004
235	The Morgan & Banks Foundation	20 December 2004
236	The Sid and Fiona Myer Family Foundation	27 January 2005
237	AirRoad Foundation	4 February 2005
238	Tattersall's George Adams Foundation	4 February 2005

Item	Name of Fund	Date, or period, of effect
239	The Gourlay Charitable Trust	12 April 2005
240	The Carnegie Foundation	12 April 2005
241	The Lindsay & Heather Payne Medical Research Charitable Foundation	12 April 2005
242	The API Trust Fund	12 April 2005
243	Isador and Rebecca Magid Foundation	12 April 2005
244	The Restoration Foundation	12 April 2005
245	The Lochtenberg Foundation	12 April 2005
246	The Rix Foundation	12 April 2005
247	The Pace Foundation	12 April 2005
248	Scanlon Foundation	22 April 2005
249	Barr Family Foundation	10 June 2005
250	Ferris Family Foundation	10 June 2005
251	Gordon Brothers Charitable Foundation	10 June 2005
252	The George and Janet Parker Memorial Trust	10 June 2005
253	Willowtree Foundation	10 June 2005
254	Adam Scott Foundation	10 June 2005
255	Aon Charitable Foundation	10 June 2005
256	Harry Triguboff Foundation	10 June 2005
257	Just Enough Faith Foundation	10 June 2005
258	Michael Craft Memorial Fund	10 June 2005
259	O'Donohue Family Foundation	10 June 2005
260	Shirley Greathead Foundation	10 June 2005
261	William McIlrath Charitable Foundation	10 June 2005
262	Woollahra Colleagues Rugby Union Football Club Foundation	10 June 2005
263	ABD Foundation	10 June 2005
264	Australand Foundation	10 June 2005
265	Bendat Family Foundation	10 June 2005
266	Gaunt Family Foundation	10 June 2005
267	Indigo Community Aid Foundation	10 June 2005
268	Limb Family Foundation	10 June 2005
269	Prescott Family Foundation	10 June 2005

Item	Name of Fund	Date, or period, of effect
270	Seidler Architectural Foundation	10 June 2005
271	SG Foundation	10 June 2005
272	Sisyphus Foundation	10 June 2005
273	Skar Foundation	10 June 2005
274	Telstra Foundation Community Development Fund	10 June 2005
275	The Beeren Foundation	10 June 2005
276	The Byrnes Foundation	10 June 2005
277	The Kirk Foundation	10 June 2005
278	The Lightfoot Foundation	10 June 2005
279	The Nelson Foundation	10 June 2005
280	The Sunjoto Foundation – The Spirit of Giving	10 June 2005
281	The Wood Foundation	10 June 2005
282	Cochrane-Schofield Charitable Fund	10 June 2005
283	Gilmour Foundation	10 June 2005
284	Henry Pollack Foundation	10 June 2005
285	Jack & Ethel Goldin Foundation	10 June 2005
286	Kazacos Foundation	10 June 2005
287	Kopke Family Foundation	10 June 2005
288	Lew Foundation	10 June 2005
289	Michael & Dellarose Baevski Foundation	10 June 2005
290	The Bluesand Foundation	10 June 2005
291	The Deloitte Foundation	10 June 2005
292	The Penn Foundation	10 June 2005
293	ERM Foundation	23 June 2005
294	Hart Charitable Trust	23 June 2005
295	Laver Family Foundation	23 June 2005
296	Lee Liberman Charitable Foundation	23 June 2005
297	Matsarol Foundation	23 June 2005
298	The Cubit Family Foundation	23 June 2005
299	The Margaret Miller Foundation	23 June 2005
300	The Zimmerman Family Foundation	23 June 2005

Item	Name of Fund	Date, or period, of effect
301	Alter Family Foundation	23 June 2005
302	George Jones Family Foundation	23 June 2005
303	Ivany Foundation	23 June 2005
304	The Blackley Foundation	23 June 2005
305	The Waterham Family Foundation	23 June 2005
306	Bennetts Family Foundation	23 June 2005
307	Burton Taylor PPF Foundation	23 June 2005
308	Fielding Foundation	23 June 2005
309	Franz Loibner Foundation	23 June 2005
310	Hunt Foundation	23 June 2005
311	Kahn Friedlander Family Foundation	23 June 2005
312	The Freedman Foundation	23 June 2005
313	The Ian Watson Foundation	23 June 2005
314	Wood Family Foundation	23 June 2005
315	The Hunter 5 Foundation	23 June 2005
316	The Mavis & Bill Jennings Foundation	23 June 2005
317	The Steed Family Foundation	23 June 2005
318	R P Medical Fund	23 June 2005
319	The Annemarie & Arturo Gandioli Fumagalli Foundation	23 June 2005
320	Turnbull Foundation	23 June 2005
321	Simpson Family Foundation	30 June 2005
322	Sherry-Hogan Foundation	30 June 2005
323	Macquarie Goodman Foundation	2 December 2005
324	Money Managers Charitable Trust	2 December 2005
325	The Chestnut Tree Foundation	2 December 2005
326	The Katharina Elizabeth Foundation	2 December 2005
327	The Paul Griffin Charitable Trust	2 December 2005
328	The Winter-Pauwels Foundation	2 December 2005
329	The Heartfelt Foundation	2 December 2005
330	The Regal Foundation	2 December 2005
331	Zunahme Prosperity Fund	2 December 2005

Item	Name of Fund	Date, or period, of effect
332	Luca and Anita Belgiorno-Nettis Foundation	2 December 2005
333	The Wandin Heritage Foundation	2 December 2005
334	Youth Enterprise Trust Foundation	2 December 2005
335	The Cruthers Art Foundation	2 December 2005
336	The Tall Foundation	2 December 2005
337	The V V Marshman Charitable Trust	2 December 2005
338	Sachdev Foundation	2 December 2005
339	The Grenda Foundation	2 December 2005

b. Gifts of Property Over \$5,000

From 1 July 2001 legislation was passed enabling donors to claim a tax deduction for gifts of property held by the donor which was valued at more than \$5,000 by the Commissioner of Taxation. This deduction was backdated to apply from 1 July 1999 and extends to property donated to approved environmental and heritage organisations. Previously, the deduction was only available where the property was purchased within 12 months of being donated.

c. 5-Year Averaging of Donations

Donors now have the ability to spread the following types of gifts over a period of up to 5 income years:

- cash donations in excess of \$5,000 (which took effect from 1 July 2003);
- property valued by the Commissioner in excess of \$5,000 (which took effect from 1 July 1999); and
- cultural gifts made through the Cultural Gifts Program (which took effect from 1 July 1999).

d. Deductions for Workplace Giving

Workplace giving programs (which took effect from 1 July 2002) are designed to give employees the opportunity to make regular donations to a DGR through regular payroll deductions. Employees receive immediate tax benefits, as employers are able to reduce the amount of PAYG withholding tax from that employee's pay.

e. Conservation Covenants

Certain types of conservation covenants over land entered into on or after 1 July 2002 will be eligible for an income tax deduction and concessional capital gains tax treatment.

f. The Cultural Gifts Program - Capital Gains Tax Exemption

From 1 July 1999, bequests of property and gifts of cultural property made through the Cultural Gifts Program are now exempt from capital gains tax,

thus maximising the appreciated value of these gifts for tax deduction purposes.

g. Deductions for Fundraising Dinners and Similar Events

From 1 July 2004, individual taxpayers will, in certain circumstances, be able to receive a tax deduction for 'contributions' in the form of a ticket to a charity fundraising dinner. The deduction will apply to contributions above \$250, where the value of the benefit received (for example, a meal or entertainment) is no more than 10% of the total contribution or \$100, whichever is less. The provision also rebates to goods purchased at fundraising auctions.

h. Health Promotion Charities

A new DGR category known as Health Promotion Charities is entitled to the same benefits as Public Benevolent Institutions. It commenced in 2002, but is back dated to the 1997/98 year. It allows a tax deduction for gifts to charitable institutions whose principal activity is to promote the prevention or the control of behaviour that is harmful or abusive to human beings.

- The 2006 budget announced that taxpayers could claim a tax deduction for the donation to a DGR of publicly listed shares that have been held for at least 12 months and are valued at less than \$5,000. Capital gains tax will still apply.

The following analysis reveals whether some of these taxation incentives (particularly workplace giving and conservation covenants, which took effect for the first time during the 2003 income year) may have contributed to the increase in the amount of tax-deductible giving by Australian taxpayers.

The next income year 2004-05 will include the Tsunami donations and is expected to show a substantial increase in deductible gift claims.

3.0 TAX-DEDUCTIBLE DONATIONS BY INDIVIDUAL TAXPAYERS

This section of the paper analyses the nature and extent of tax-deductible donations made by Australian individual taxpayers in their 2004 income tax returns to DGRs.

As mentioned in the Executive Summary, the information presented is based on the amount and type of tax-deductible donations made and claimed by Australian individual taxpayers to DGRs for the period 1 July 2003 to 30 June 2004. This information has been extracted mainly from the ATO's publication *Taxation Statistics 2003-04*.⁵ The 2004 report is the latest report that has been made publicly available.

This study uses information based on published ATO material and represents only the extent of tax-deductible donations made and claimed by Australian taxpayers to DGRs at Item *D9 Gifts or Donations* in their individual income tax returns for the 2004 income year that have been processed by 31 October 2005. The data does not include corporate taxpayers as there is no provision on corporate taxpayers' tax returns to

⁵ The data represents information in tax returns for the 2003-04 year processed by the ATO as at 31 October 2005. It also includes some additional data supplied directly by the ATO to CPNS researchers.

disclose gifts made to DGRs. Expenses such as raffles, sponsorships, fundraising purchases (eg, sweets, tea towels, special events) or volunteering are generally not deductible as 'gifts'. The Giving Australia Report estimated 2005 year total giving with a more liberal definition of 'gift' at \$11 Billion (excluding Tsunami donations).⁶

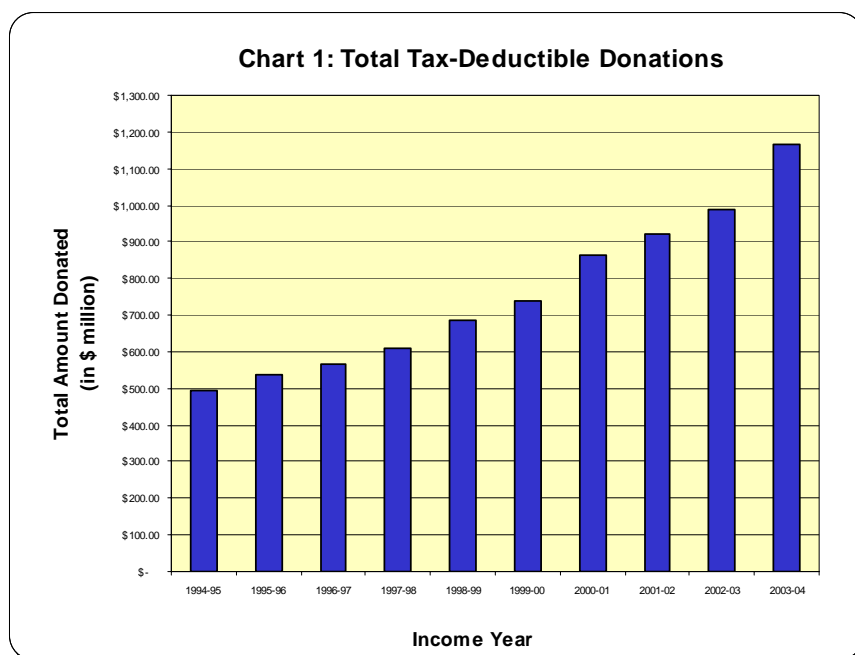
4.0 INDIVIDUAL TAXPAYER DONATIONS

Table 1 in the Appendix to this paper (which forms the basis of Charts 1 to 7) contains data relating to the amount of tax-deductible donations made to DGRs and claimed by individual Australian taxpayers in their 2003 income tax return.

According to ATO Statistics, in 2003-04, a total of 3,874,128 individual taxpayers made and claimed tax-deductible donations to DGRs totalling \$1,164.62 million. This represented an increase of \$176.4 million (or 17.85%) from the previous income year of \$988.20 million.

As a comparison, in 2003, Australian taxpayers claimed \$1,106 million (or 4.8 %) in tax agent fees. Gift deductions represent 5.1% of all personal taxpayer deductions.

Chart 1 Total Tax-Deductible Donations shows a ten-year comparison of the total amount of tax-deductible donations made to DGRs and claimed by individual Australian taxpayers between the 1994-95 and 2003-04 income years.



As Chart 2 below depicts, using a base year of 1978-79, the actual total tax-deductible donations made by Australian taxpayers is far exceeding the inflation-adjusted total tax-deductible donation as measured by the CPI.

⁶ Report available at <http://www.bus.qut.edu.au/research/cpns/whatweresearch/documents/GivingAustraliaFindings.pdf>

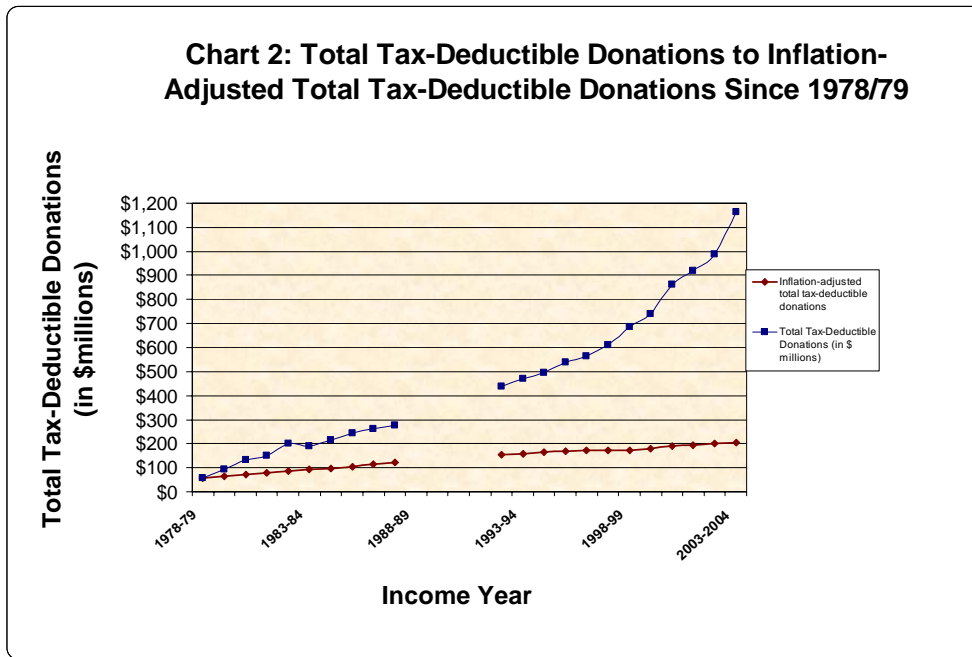


Chart 3 Percentage of Donating Taxpayers to Total Taxpayers reveals that in 2003-04, 3,874,128 Australian taxpayers (or 35.29% of the Australian taxpaying population) made and claimed tax-deductible donations. Put another way, more than one in three Australian taxpayers donated monies to DGRs and claimed tax deductions for these amounts during the 2004 income year. This percentage has been increasing slightly over the past twelve years and is at its highest level since 1992-93.

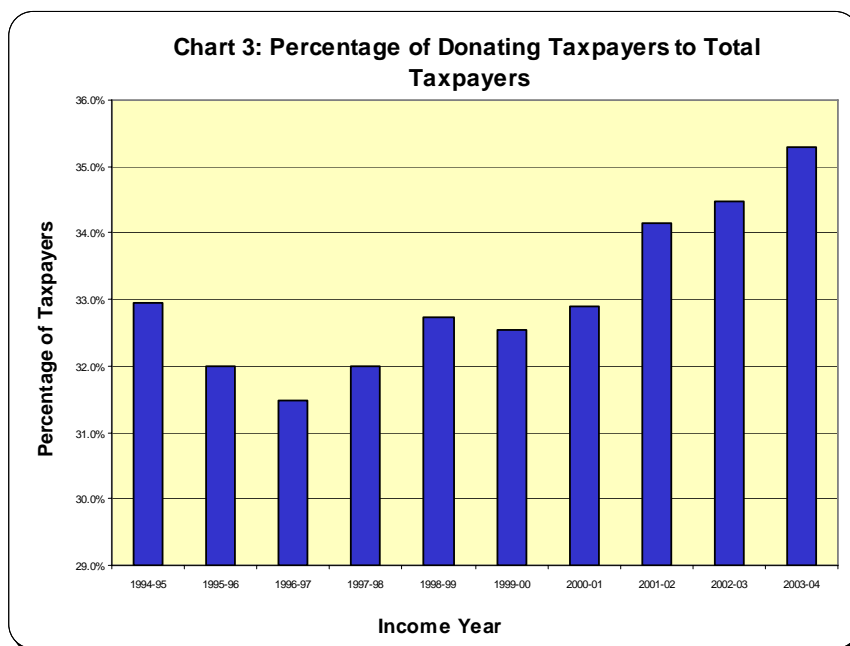
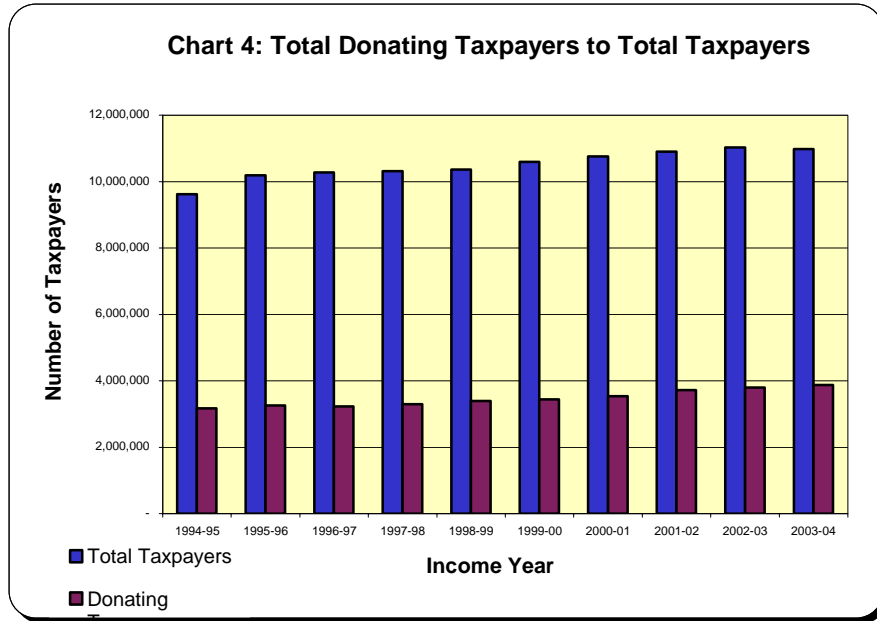


Chart 4 Total Donating Taxpayers to Total Taxpayers shows the number of taxpayers who claimed tax-deductible donations to DGRs against the total number of taxpayers in 2003-04.

The chart reveals that since 1992-93, the number of donating Australian taxpayers has increased from 3,134,553 to 3,874,128, whilst, in comparison, the total number of

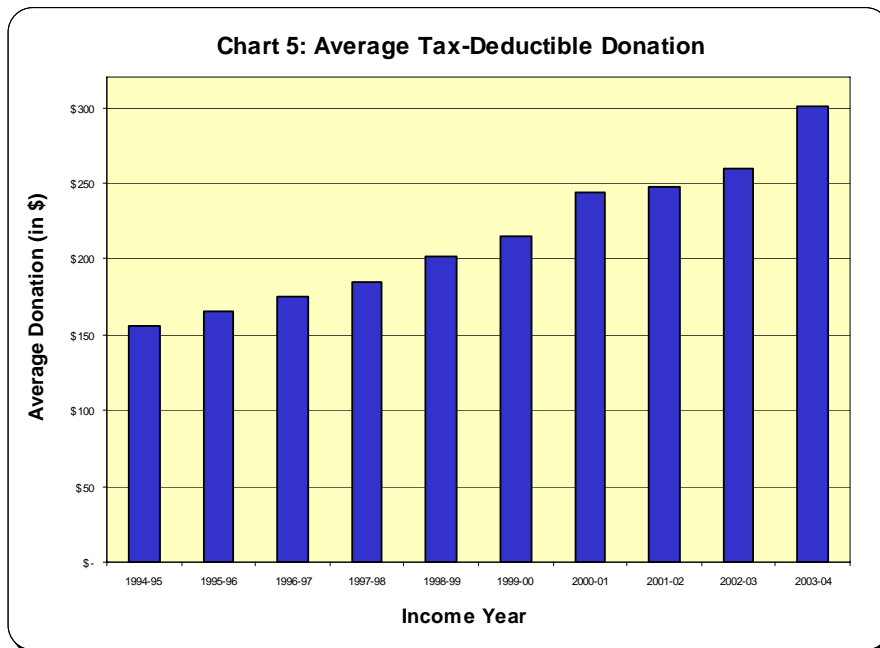
taxpayers (both taxable and non-taxable) has increased from 9,272,971 to 10,978,900 for the same period.

This leads to the conclusion that the number of donating taxpayers is more than keeping pace with the total numerical growth of Australian individual taxpayers.



The average tax-deductible donation made and claimed by Australian taxpayers to DGRs in 2004 was \$300.61 (compared to \$259.95 the previous income year). This represented an increase of \$40.66 (or 15.64%) since the previous income year.

Chart 5 Average Tax-Deductible Donation shows a ten-year comparison of the average tax-deductible donation made to DGRs and claimed by individual Australian taxpayers between the 1994-95 and 2003-04 income years.



As Chart 6 below depicts, using a base year of 1978-79, the actual average tax-deductible donation is far exceeding the inflation-adjusted average tax-deductible donation as measured by the CPI.

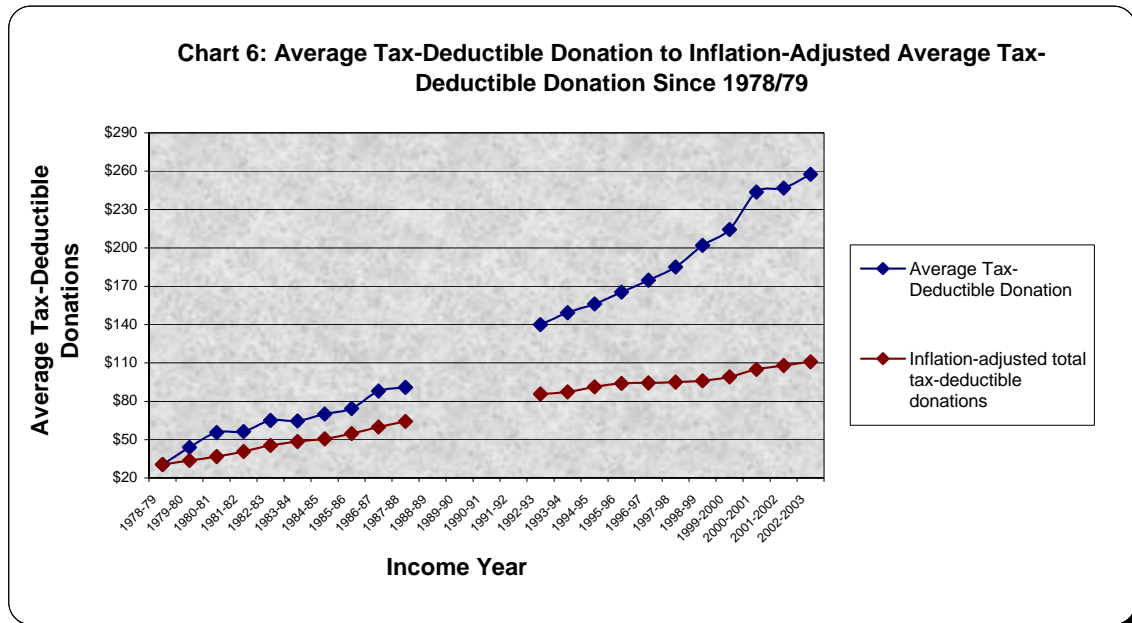
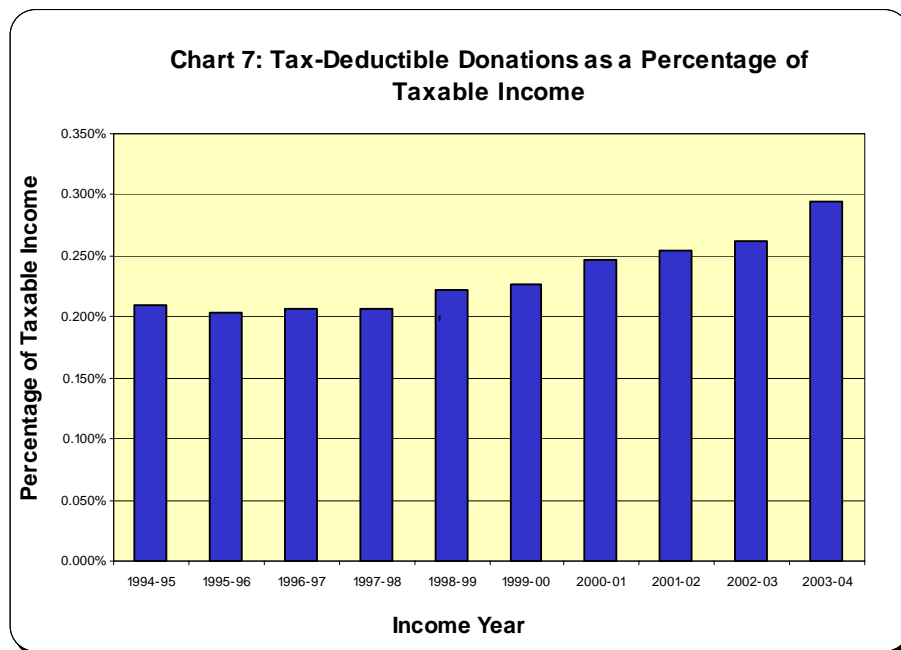


Chart 7 Tax-Deductible Donations as a Percentage of Taxable Income graphs the percentage of taxable income that Australians donate to DGRs and claim as tax deductions. The chart reveals that in 2003-04, on average, those individual taxpayers who make tax-deductible donations to DGRs donate approximately 0.295% of their taxable income. Once again, this trend has been increasing slightly over the past eleven years and is at its highest level since 1992-93.



Summary and Discussion

Based on the data extracted from Table 1 in the Appendix (comprising Charts 1 to 7), our analysis reveals that Australians are claiming more tax-deductible donations to DGRs than ever before.

The amount of tax-deductible donations made and claimed by Australian taxpayers in 2003-04 was at record highs. The total dollar amount of tax-deductible donations made and claimed by Australian taxpayers to DGRs in 2004 of \$1,164.62 million represented an increase of \$176.4 million (or 17.85%) from 2003 (\$988.2 million).

Since 1992-93, tax-deductible donations have been steadily increasing by an average rate of 8.13% per annum over an eleven-year period. However, in 2001, total tax-deductible giving increased by 16.74% from the previous year. In 2002 and 2003, giving levels have remained consistently high. The incentives announced by the Prime Minister to encourage philanthropy in recent years appear to be having an effect.

The measure to create Prescribed Private Funds along the lines of US Family Foundations is probably contributing a large amount to the increases. A prescribed private fund is a fund established by a will or trust instrument with DGR status (that is, gifts to it are deductible to the donor). Previously, such funds were required to seek and receive donations from the public and be strictly controlled by members of the public.

As at 30 June 2001, the Federal Government had approved 21 PPFs. All of these funds were approved in the last 10 days in June 2001. According to ATO records, these 21 PPFs received \$78.6 million in donations by 30 June 2001. From informal ATO estimates, about 70% of PPF gifts derive from individual taxpayers, rather than corporate taxpayers.

5.0 INDIVIDUAL TAXPAYER DONATIONS BY GENDER

Table 2 in the Appendix to this paper (which forms the basis of Charts 8 to 11) contains data relating to the amount of tax-deductible donations made to DGRs and claimed by individual Australian taxpayers in their 2004 income tax return according to gender.

Chart 8 Total Tax-Deductible Donations by Gender reveals that in 2003-04, 2,022,398 male taxpayers (representing 60% of the total) made and claimed tax-deductible donations to DGRs totalling \$694.99 million. 1,851,730 female taxpayers made and claimed tax-deductible donations to DGRs totalling \$469.63 million in 2004 (representing 40% of the total).

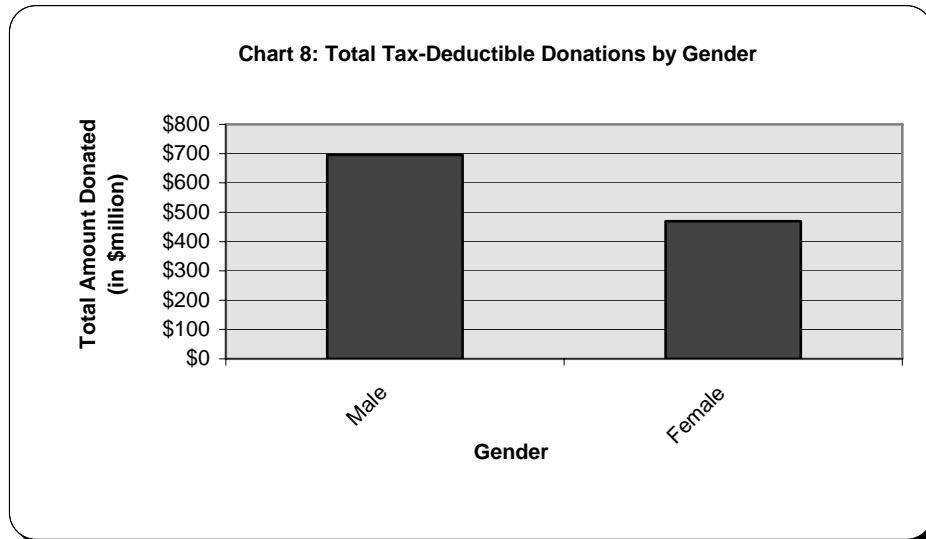
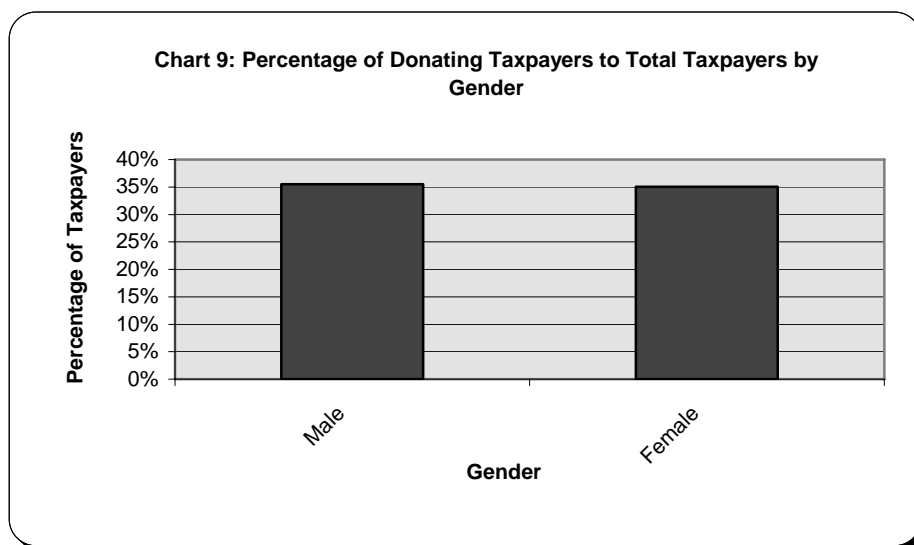


Chart 9 Percentage of Donating Taxpayers to Total Taxpayers by Gender reveals that in 2003-04, 35.49% of Australian male taxpayers and 35.06% of Australian female taxpayers made and claimed tax-deductible donations to DGRs. The national average was 35.29%.



In terms of average tax-deductible donations per state, *Chart 10 Average Tax-Deductible Donation by Gender* reveals that the average tax-deductible donation made and claimed to DGRs in 2004 by Australian male taxpayers was \$343.64 and by Australian female taxpayers was \$253.62.

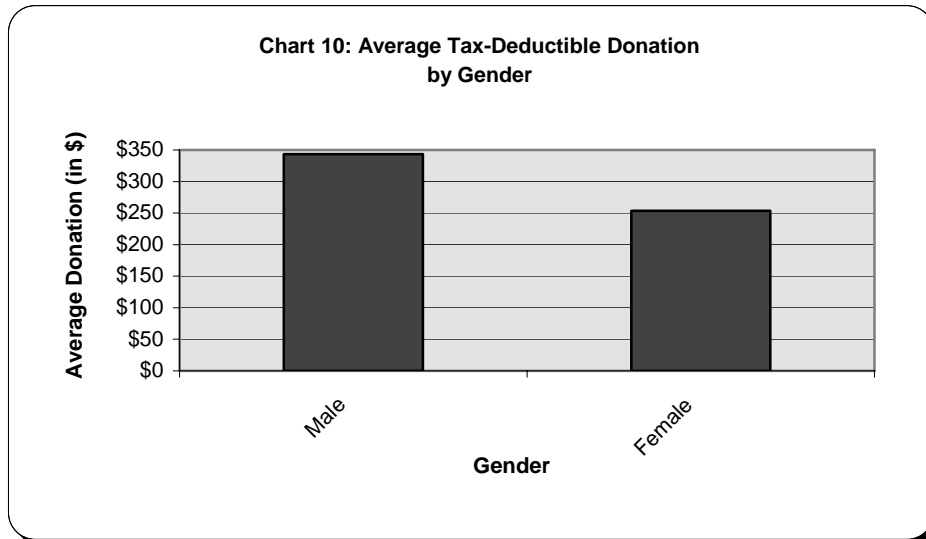
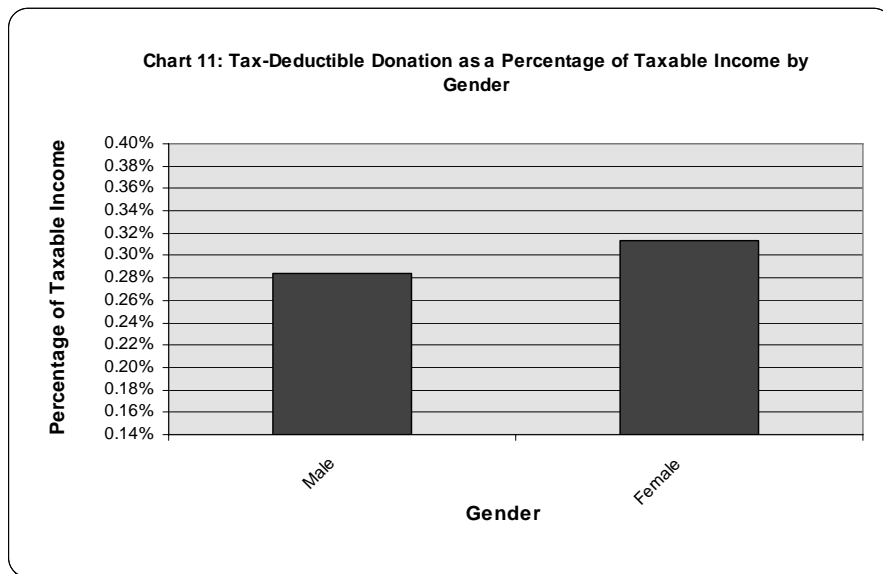


Chart 11 Tax-Deductible Donations as a Percentage of Taxable Income by Gender graphs the amount of tax-deductible donations made relative to the taxpayers' taxable income. The chart reveals that in 2003-04, on average, that tax-deductible donations to DGRs made up approximately 0.284% of the taxable income of male Australian taxpayers and 0.313% of the taxable income of Australian female taxpayers.



Summary and Discussion

Based on the data extracted from Table 2 in the Appendix (comprising Charts 8 to 11), our analysis reveals that there is little difference in the amount of tax-deductible giving between male and female Australian taxpayers.

Whilst more male taxpayers made and claimed tax-deductible donations to DGRs than female taxpayers (both in terms of total and average tax-deductible donations), female taxpayers donated more to DGRs when expressed as a percentage of their respective taxable incomes (0.284% for males and 0.313% for females).

In terms of donating taxpayers as a percentage of total taxpayers expressed by gender, our analysis revealed very little difference between the percentage of donating male taxpayers compared with donating female taxpayers.

In 2003-04, 35.49% of male taxpayers made and claimed tax-deductible donations to DGRs compared to 35.06% of Australian female taxpayers. The national average was 35.29%.

6.0 INDIVIDUAL TAXPAYER DONATIONS BY STATE OF RESIDENCE

Table 3 in the Appendix to this paper (which forms the basis of Charts 12 to 15) contains data relating to the amount of tax-deductible donations made to DGRs and claimed by individual Australian taxpayers in their 2004 income tax returns according to their state of residence.

Chart 12 Total Tax-Deductible Donations by State of Residence reveals that in 2003-04, New South Wales taxpayers made the most tax-deductible donations to DGRs.

In 2003-04, a total of 1,300,768 taxpayers in New South Wales claimed tax-deductible donations to DGRs totalling \$511.2 million. This amount represented almost 44% of the national total. The next largest donor state was Victoria with 1,046,516 taxpayers who made and claimed tax-deductible donations to DGRs of \$306.18 million, representing 26% of the national total.

More than 697,000 Queensland taxpayers donated a total of \$146.4 million (representing 13% of the national total). Together, these three states accounted for 83% of total tax-deductible donations made to DGRs in 2003-04.

Whilst there is no direct evidence to support the following proposition, it is speculated that the large increases in tax-deductible giving in both New South Wales and Victoria may be due to the fact that many PPFs have been established in these two states.

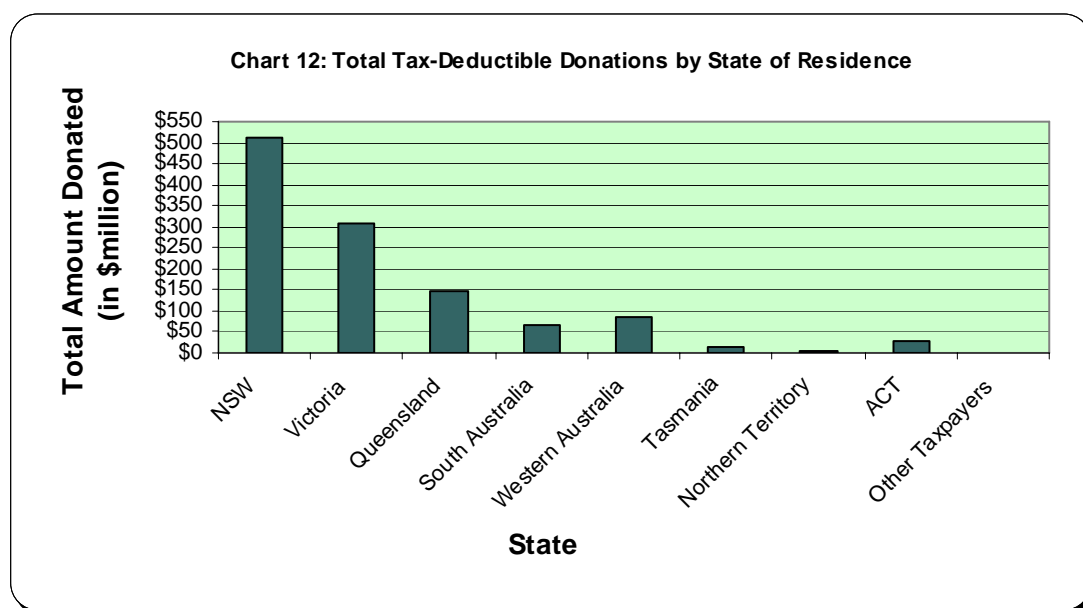
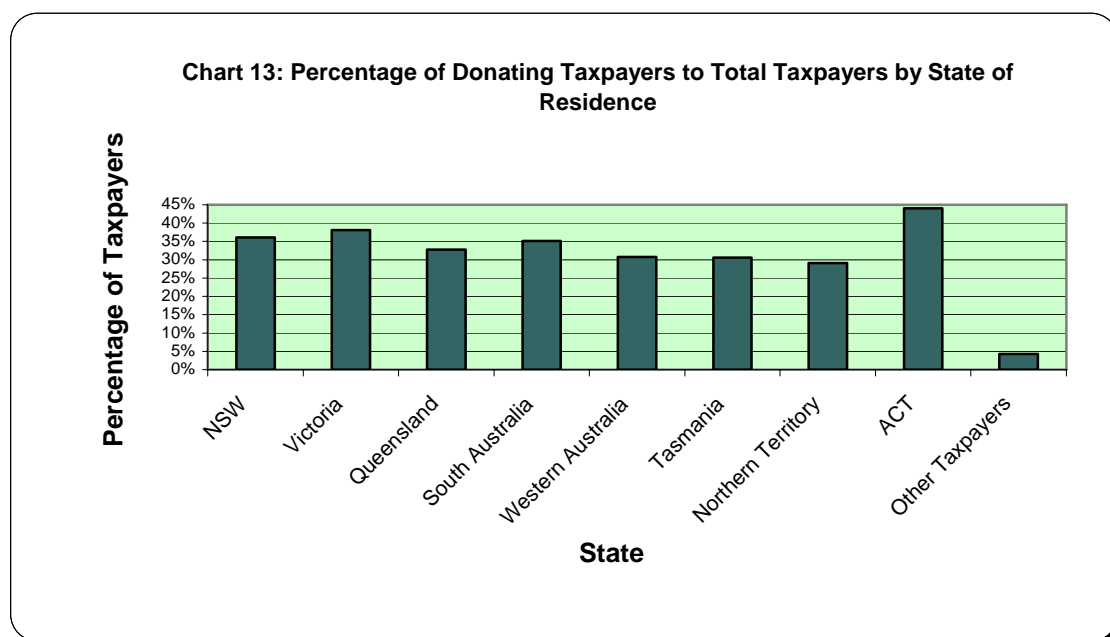


Chart 13 Percentage of Donating Taxpayers to Total Taxpayers by State of Residence reveals that 44% of total taxpayers in the Australian Capital Territory made and claimed tax-deductible donations to DGRs in 2004. 38% of Victorian taxpayers made and claimed tax-deductible donations to DGRs, followed by New South Wales with 36% and South Australia with 35%. The national average was 35.29%. 32.8% of Queensland taxpayers made and claimed tax-deductible donations to DGRs. These percentages across each state of residence have not varied significantly over the past six years.



In terms of average tax-deductible donations per state, *Chart 14 Average Tax-Deductible Donation by State of Residence* reveals that in 2003-04, non-residents (described as “other taxpayers”) made and claimed the largest average tax-deductible donation to DGRs of \$582.20. Other taxpayers are described by the ATO as non-residents for Australian taxation purposes.

In terms of Australian residents, our analysis reveals that New South Wales taxpayers made and claimed the largest average tax-deductible donation to DGRs of \$393.03 compared with the national average of \$300.61. Australian Capital Territory taxpayers made the next highest average tax-deductible donation to DGRs with \$304.24, followed by Victoria with an average tax-deductible donation of \$292.57. Queensland taxpayers made and claimed an average tax-deductible donation in 2004 of \$209.99.

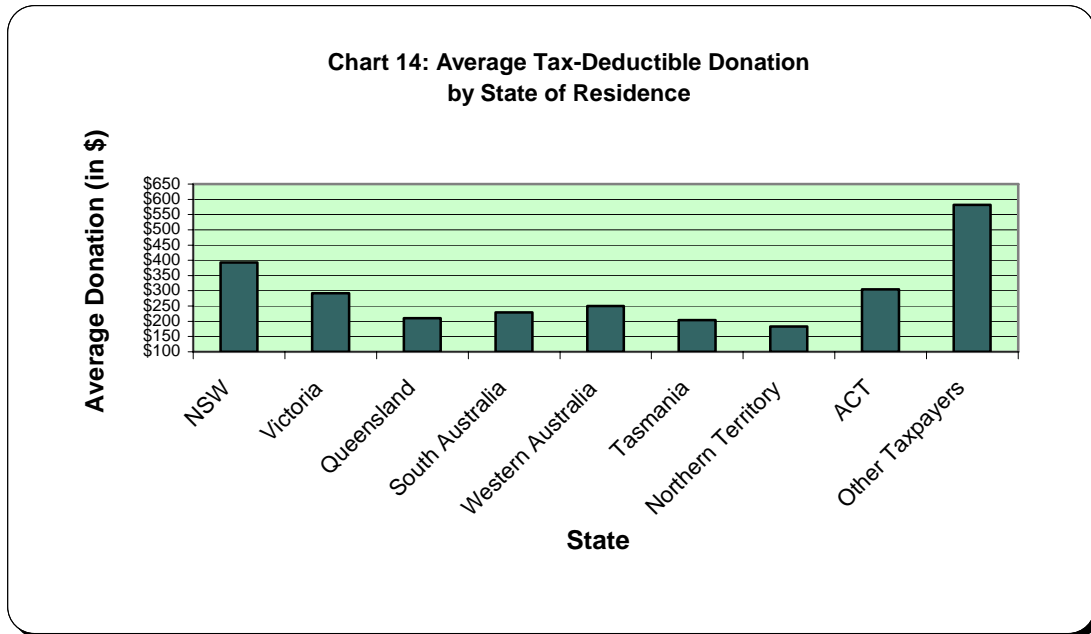
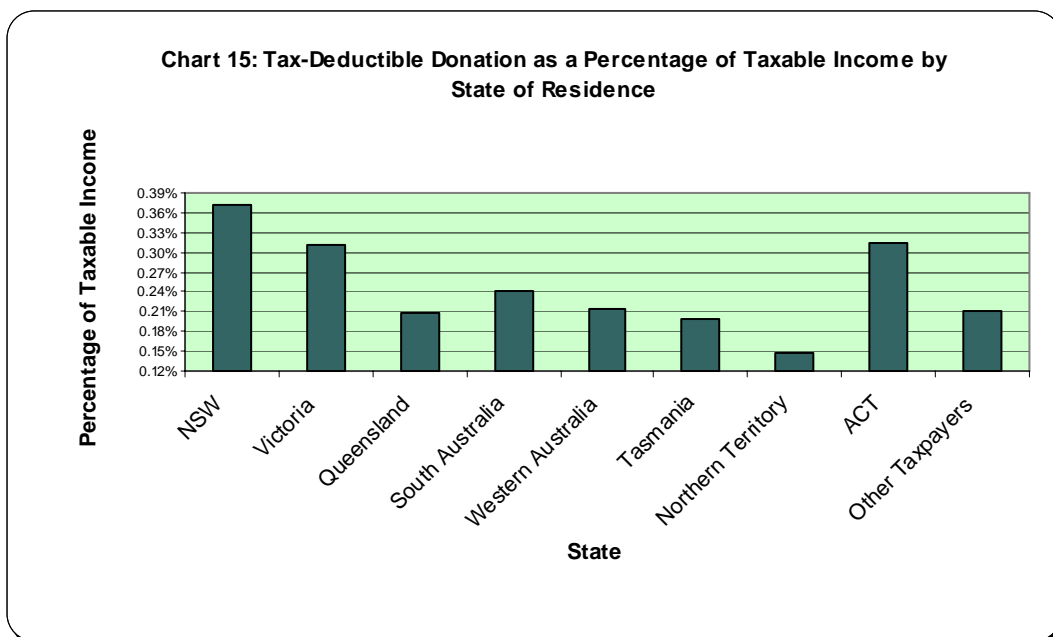


Chart 15 Tax-Deductible Donations as a Percentage of Taxable Income by State of Residence graphs the amount of tax-deductible donation relative to the taxable income of taxpayers across each state.

The chart reveals that in 2003-04, Australian Capital Territory taxpayers donated an average of 0.315% of their taxable income to DGRs, compared to the national average of 0.29%. New South Wales taxpayers donated approximately 0.37% of their taxable income, followed by Victoria with 0.31%. Queensland taxpayers donated an average of 0.21% of their taxable income to DGRs.



Summary and Discussion

Based on the data extracted from Table 3 in the Appendix (comprising Charts 9 to 15), our analysis reveals that New South Wales taxpayers made and claimed the largest amount of tax-deductible donations to DGRs in 2004. Taxpayers from this state also made the highest average tax-deductible donation to DGRs in 2004.

Taxpayers residing in the Australian Capital Territory have in recent years had the highest percentage of deductible donations as a percentage of their taxable income. However, New South Wales at 0.37% exceeded the ACT with 0.315% and Victoria closely followed with 0.31%.

Again, since the establishment of the PPFs in 2001, there has been a marked increase in both total and average tax-deductible donations made by taxpayers residing in both New South Wales and Victoria.

7.0 INDIVIDUAL TAXPAYER DONATIONS BY INCOME BAND

Table 4 in the Appendix to this paper (which forms the basis of Charts 16 to 19) contains data relating to the amount of tax-deductible donations made and claimed to DGRs by individual Australian taxpayers in their 2004 income tax return according to income bands. The income band of less than \$10,000 includes taxpayers whose taxable income is less than \$10,000 as well as taxpayers who have a negative taxable income (ie. less than \$Nil, due to the fact that their allowable deductions equalled or exceeded their assessable income).

Chart 16 Total Tax-Deductible Donations by Income Band reveals that in 2003-04, individual Australian taxpayers in the \$50,000-\$99,999 income band made and claimed the largest amount of total tax-deductible donations to DGRs in their 2004 income tax returns totalling \$314.51 million. This represented slightly more than 27% of the total tax-deductible donations made and claimed by individual Australian taxpayers in that year.

The next largest amount of tax-deductible donations made to DGRs in 2003-04 came from taxpayers in the \$100,000-\$499,999 income band who made and claimed tax-deductible donations to DGRs totalling \$231.14 million. This represented nearly 20% of the total.

In 2004, a total of 3,345 taxpayers with a taxable income in excess of \$1 million made and claimed tax-deductible donations to DGRs totalling \$155.15 million. This represented over 13% of the total tax-deductible donations made and claimed by individual Australian taxpayers in that year.

It is interesting to note in the 1999-2000 income year (the year before the establishment of the PPFs), taxpayers with a taxable income in excess of \$1 million made tax-deductible donations to DGRs totalling \$37.5 million. In 2001, taxpayers in this income band donated \$118 million. In 2002 taxpayers earning in excess of \$1 million donated \$75 million and in 2003, these taxpayers donated \$67 million. There is a significant increase in these deductions and again probably in large part due to PPFs.

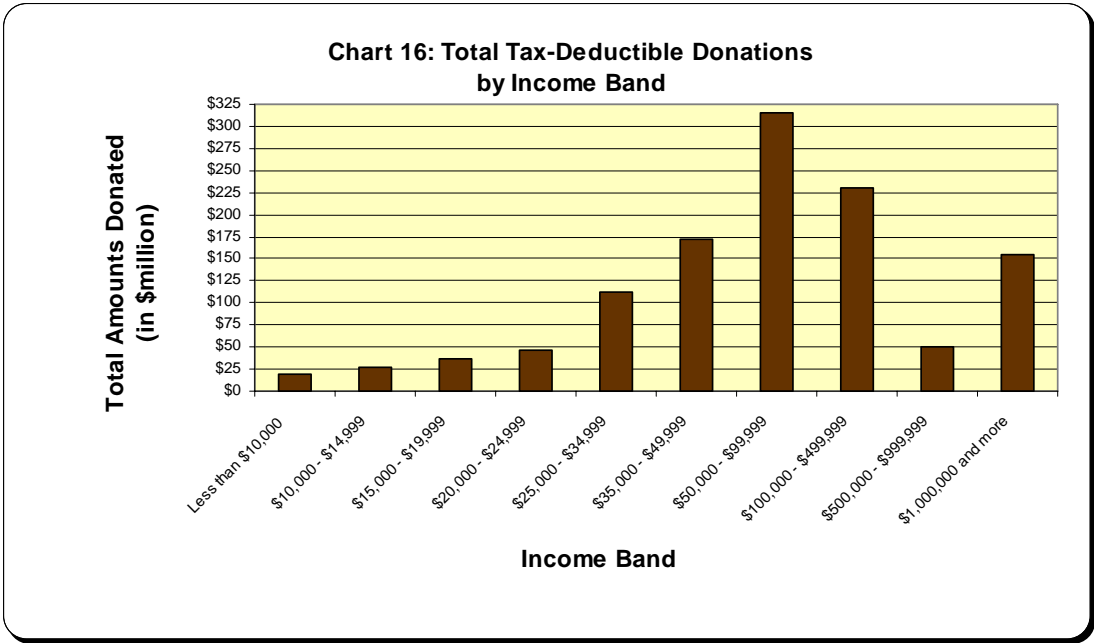
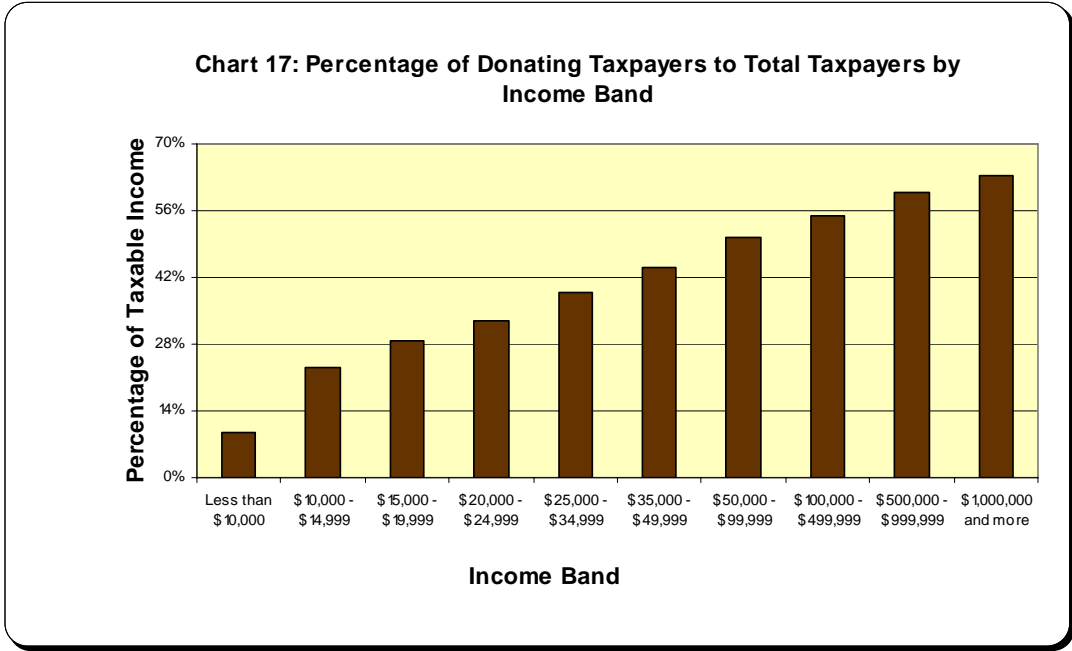


Chart 17 Percentage of Donating Taxpayers to Total Taxpayers by Income Band shows the percentage of individual taxpayers to total taxpayers who made and claimed tax-deductible donations by income in 2003-04. The chart reveals that 50.28% of taxpayers in the \$50,000-\$99,999 income band made and claimed tax-deductible donations to DGRs in 2004. This compares to the national average of 35.29%.

When analysing the \$100,000-\$499,999 income band taxpayers, this percentage increases to 55.06%. A total of 63.23% of taxpayers earning over \$1 million made and claimed tax-deductible donations to DGRs in 2004, slightly below twice the national average of 35.29%.



In terms of average tax-deductible donations per income band, *Chart 18 Average Tax-Deductible Donation by Income Band* reveals that in 2003-04, the average tax-deductible donation made and claimed by taxpayers in the \$50,000-\$99,999 income band in 2004 was \$287.18. This compared to the national average of \$300.61.

The average tax-deductible donation made and claimed by individual taxpayers to DGRs in the \$100,000-\$499,999 income band in 2004 was \$1,065.43.

The average tax-deductible donation made and claimed by individual taxpayers to DGRs in the \$500,000-\$999,999 income band in 2004 was \$7,539.78.

In 2003-04, taxpayers with a taxable income in excess of \$1 million made and claimed an average tax-deductible donation to DGRs of \$73,355.44. In 2002, these taxpayers made an average tax-deductible donation of \$40,867.

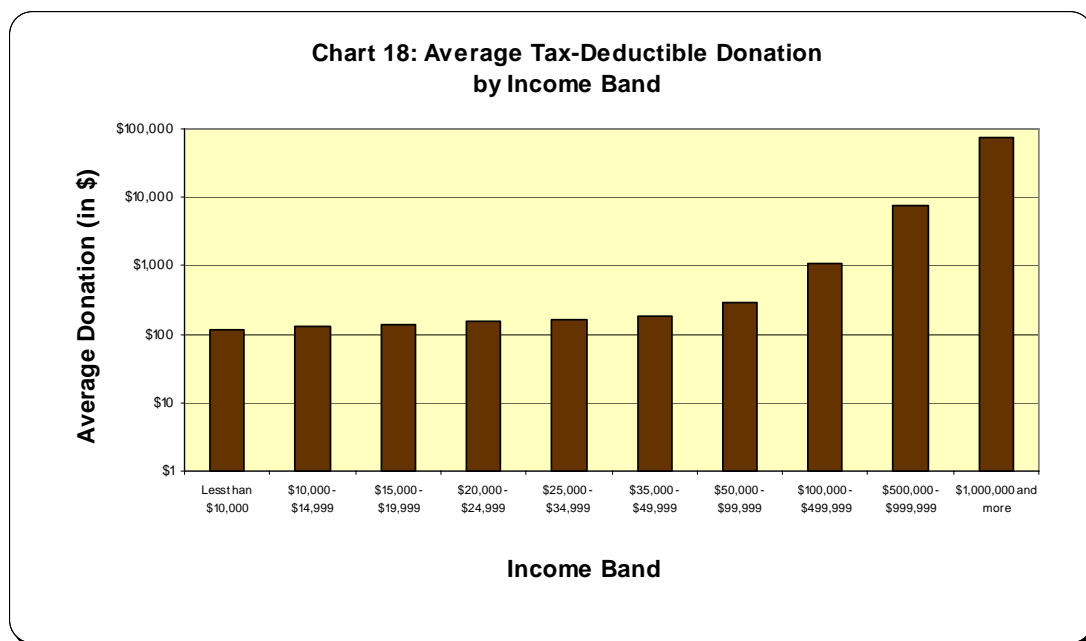


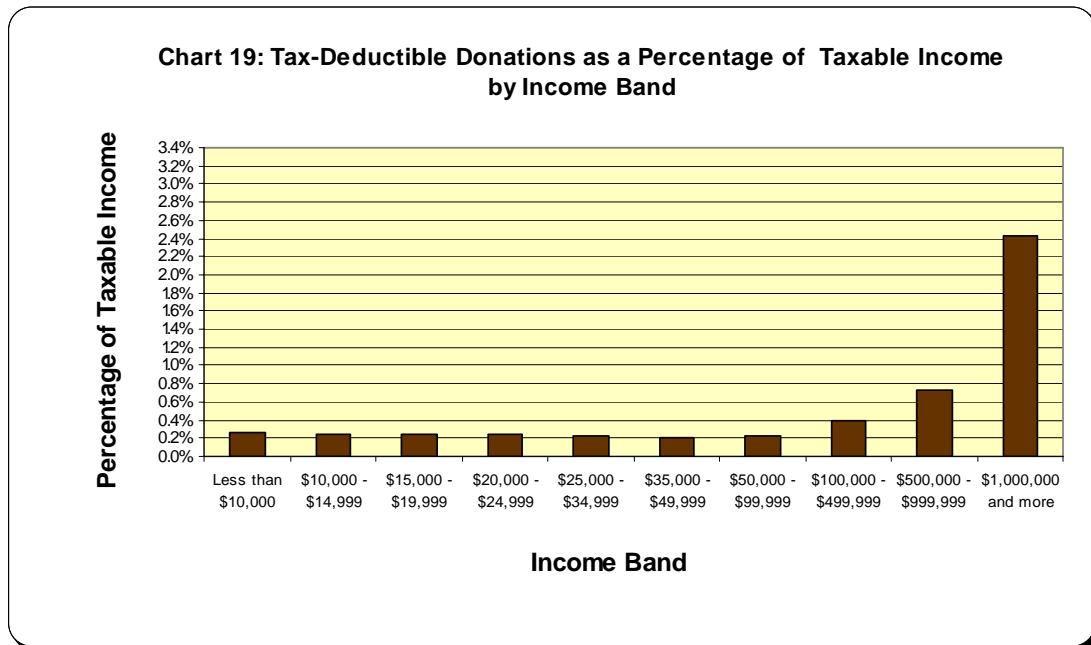
Chart 19 Tax-Deductible Donations as a Percentage of Taxable Income by Income Band graphs the amount of tax-deductible donation relative to the taxable income of taxpayers across each income band. The chart reveals that in 2003-04, the average tax-deductible donation made and claimed by taxpayers in the \$50,000-\$99,999 income band represented 0.23% of their taxable income, which is lower than the national average of 0.29%.

Taxpayers in the \$35,000-\$49,999 income band donated 0.2% of their taxable income to DGRs, whilst taxpayers in the \$25,000-\$34,999 income band donated 0.22% of their taxable income to DGRs.

Whilst the average tax-deductible donation made and claimed by taxpayers with a taxable income of less than \$10,000 was only \$116.89, these taxpayers donated an average of 0.265% of their taxable income to DGRs, which is higher proportionate to their taxable income than those taxpayers in all bands up to \$100,000.

At the higher end of the income scale, support is found for the contention that the more one earns, the greater the tax-deductible gift made. For instance, taxpayers in the

\$500,000-\$999,999 income band made and claimed an average tax-deductible donation in 2004 equivalent to 0.73% of their taxable income. Similarly, taxpayers earning in excess of \$1 million made an average tax-deductible donation to DGRs equivalent to 2.4% of their taxable income, more than eight times the national average.



Summary and Discussion

Based on the data extracted from Table 4 in the Appendix (comprising Charts 16 to 19), our analysis supports the general contention that the greater the taxable income, the greater the amount of tax-deductible donations made to DGRs and claimed by Australian taxpayers.

Our findings revealed that individual Australian taxpayers in the \$50,000-\$99,999 income band made and claimed the greatest amount of total tax-deductible donations to DGRs in 2004. The amount donated constituted more than 27% of the total tax-deductible donations made and claimed by individual Australian taxpayers in 2003-04.

In terms of taxpayers with taxable incomes of more than \$1 million, a total of 3,345 taxpayers made and claimed tax-deductible donations to DGRs in 2004 totalling \$155.15 million. This represented over 13% of the total tax-deductible donations made and claimed by individual Australian taxpayers in that particular income year.

Similarly, in terms of donating taxpayers, our analysis revealed that the greater the taxable income, the more likely that taxpayers would make tax-deductible donations to DGRs. For example, in 2003-04, 9.3% of taxpayers (approximately one in ten taxpayers) with a taxable income of less than \$10,000 made and claimed tax-deductible donations to DGRs. This figure steadily rises throughout each income band reaching 63.23% (almost two in every three taxpayers) with taxable incomes of greater than \$1 million.

A similar story unfolds when one analyses the amount of tax-deductible donations made expressed as a percentage of taxable income. Once again, our analysis supports the contention that taxpayers generally make more tax-deductible donations to DGRs as their taxable income increases. For instance, in 2003-04, taxpayers with a taxable income of less than \$10,000 made and claimed an average tax-deductible donation to DGRs equivalent to 0.26% of their taxable income.

At the other end of the income scale, taxpayers with a taxable income in the \$500,000-\$999,999 income band made and claimed an average tax-deductible donation to DGRs equivalent to 0.72% of their taxable income, whilst taxpayers with a taxable income in excess of \$1 million made and claimed an average tax-deductible donation to DGRs equivalent to 2.4% of their taxable income.

In terms of average tax-deductible donations per income band, our analysis revealed that in 2003-04, taxpayers with a taxable income in excess of \$1 million made and claimed an average tax-deductible donation to DGRs of \$73,355.44. This has risen dramatically since 1999-2000 (the year before the establishment of the PPFs) where the average was \$37,810.

Once again, our findings have revealed that the increase in amount of tax-deductible donations made by Australian taxpayers in 2003-04 (particularly by taxpayers earning over \$1 million) was partly attributable to amounts donated into PPFs.

8.0 TAXPAYER DONATIONS BY INDUSTRY CLASSIFICATION

Table 5 in the Appendix to this paper (which forms the basis of Charts 20 to 23) contains data relating to the amount of tax-deductible donations made and claimed by individual Australian taxpayers carrying on a business as a sole trader in their 2004 income tax return according to their Australian New Zealand Standard Industry Classification (ANZSIC).

According to the Australian Taxation Office Statistics for 2003-04, 60% of total individual taxpayers were salary and wage earners. About 35.49% of taxpayers carried on their own business as sole traders during 2002-03.

In the 2004 individual income tax return, an individual carrying on a business as a sole trader is required to complete the *Business and Professional Items Schedule* (comprising Items P1 to P19). Item P2 requires the taxpayer to provide a brief description of their main business or professional activity and classify the industry in which the business operates (Label A).

This industry classification is based on the ANZSIC system. The ANZSIC codes, numbered 1110 to 99070, form the basis of the following analysis. The ANZSIC code does **not** correlate to the taxpayer's occupation code (Item 1, Label X). The following analysis is based on data collected from taxpayers who operate a business as a sole trader. It does **not** capture information on salary and wage earners (i.e. employees) who work within these industries, nor does it include business taxpayers operating through partnerships, trusts or companies.

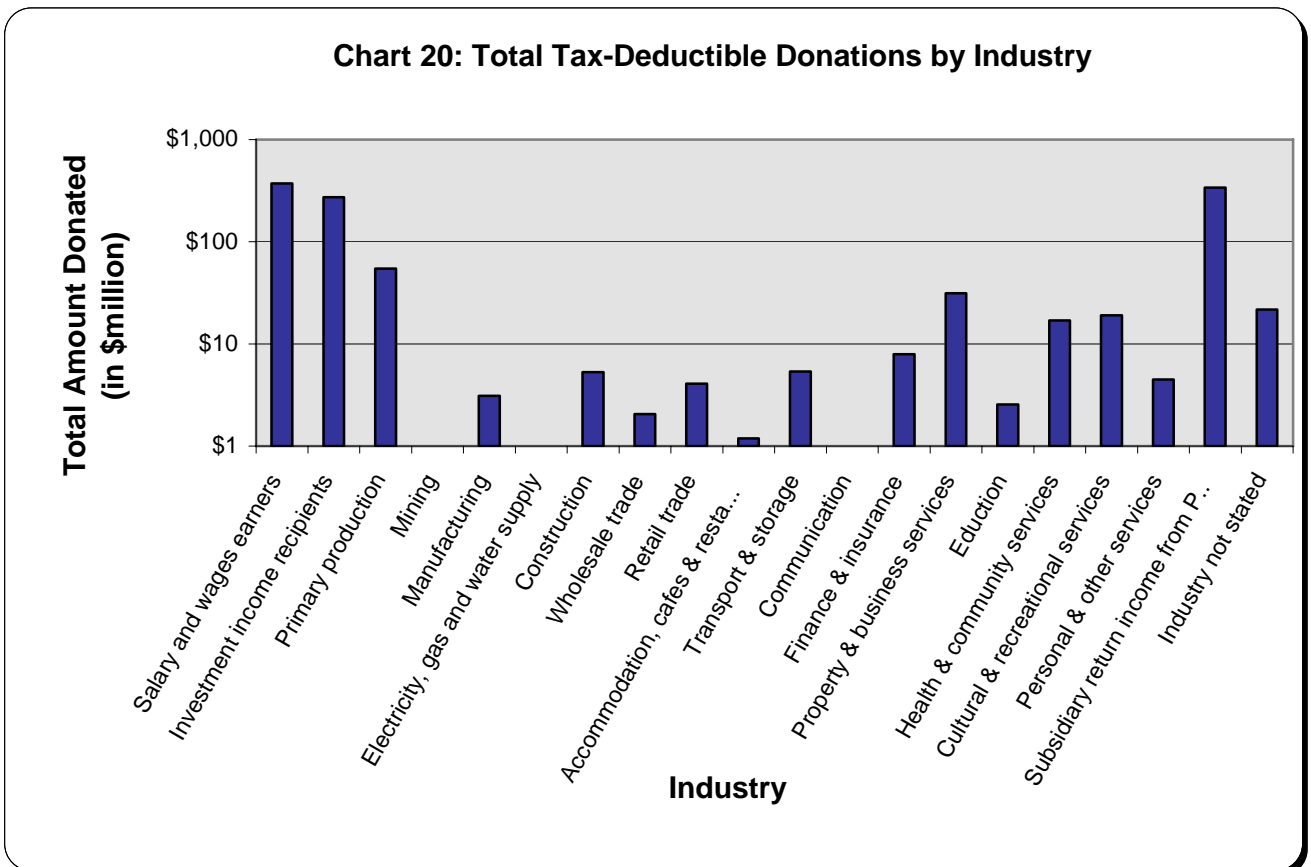
Any person who does not enter an ANZSIC code in the *Business and Professional Items Schedule* is automatically assumed to be a "salary and wage earner".

Furthermore, the category *Subsidiary Return Income from P & T* refers to taxpayers who are **not** engaged in businesses as sole traders, but receive distributions from partnerships and trusts (*Item 11 Partnerships and Trusts* in the 2004 tax return). This would include many small businesses structured as partnerships or discretionary trusts as well as distributions received by the individual from professional partnerships, such as accounting and law firms and medical practitioners, whose professional ethics and regulations prohibit them from incorporation.

Chart 20 Total Tax-Deductible Donations by Industry reveals that in 2003-04, 2,344,930 individual Australian salary and wage taxpayers made and claimed the greatest tax-deductible donations to DGRs totalling \$373.25 million.

Excluding *Subsidiary Return Income from P & T* and taxpayers who nominated their industry as being from “investment activities”, the next largest industry group that made and claimed tax-deductible donations to DGRs in 2004 came from sole trader business taxpayers operating within the primary production industry.³ These taxpayers made and claimed tax-deductible donations of \$54.42 million.

The next largest industry was sole trader business taxpayers operating in the property and business services industry.⁴ These taxpayers made and claimed tax-deductible donations to DGRs in 2004 totalling \$31.38 million.

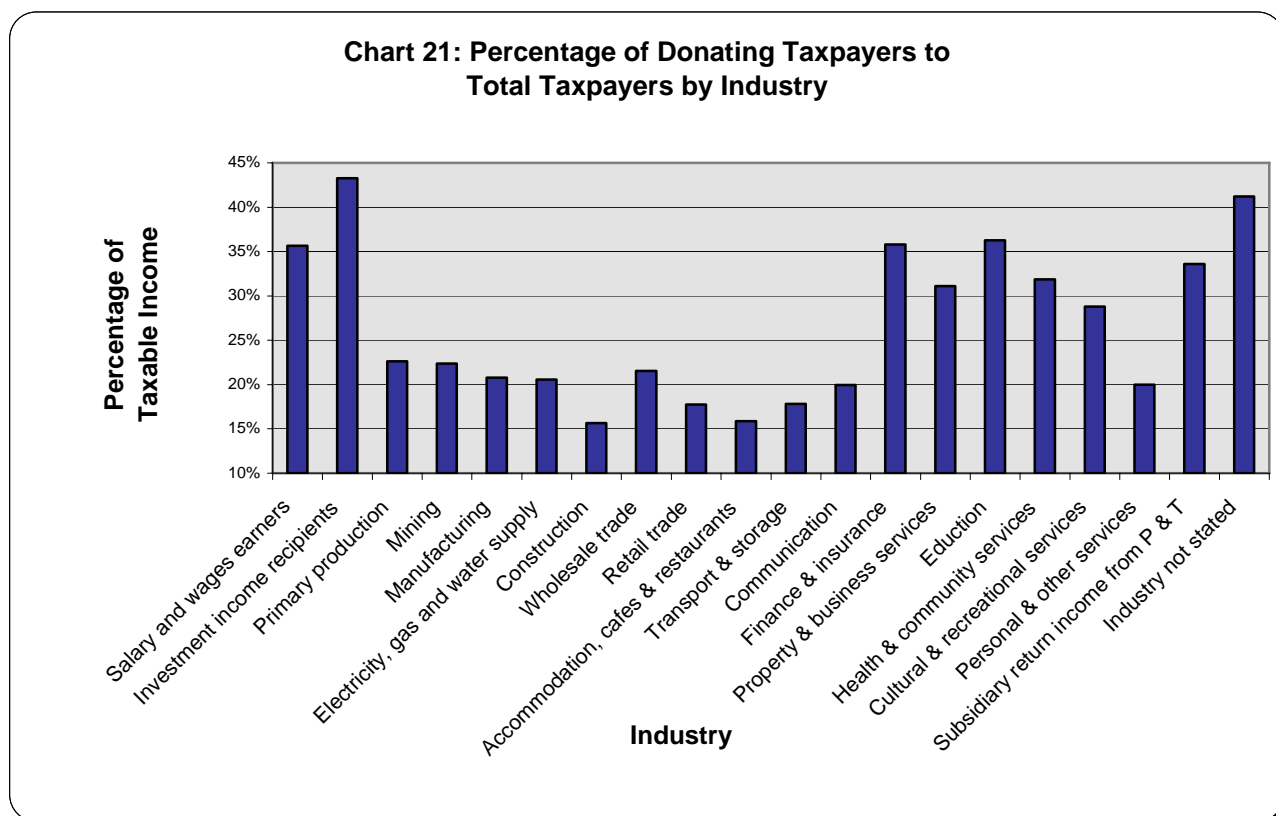


³ This category includes taxpayers involved in sheep, cattle, pig, dairy and poultry farming, sugar cane growing, fruit growing, forestry and logging, hunting and trapping, marine fishing and aquaculture.

⁴ This category includes taxpayers involved in real estate activities, property developers and operators, architects, engineers, surveyors, lawyers, IT businesses, accountants, auditors and bookkeepers and marketing and business management services.

Chart 21 Percentage of Donating Taxpayers to Total Taxpayers by Industry shows the percentage of individual taxpayers who made and claimed tax-deductible donations by ANZSIC in 2003-04. The chart reveals that the highest percentage of donating taxpayers expressed as a percentage of total sole trader business taxpayers came from the taxpayers who nominated their industry as being from “investment activities”⁵ with 43.27%. The next highest were sole trader business taxpayers working in the education industry⁶ with 36.28%.

At the opposite end of the scale, the industry with the least amount of donating taxpayers was sole trader business taxpayers engaged in the construction industry.⁷ Only 15.68% of sole trader business taxpayers working in this sector made and claimed tax-deductible donations to DGRs in 2004. The next lowest donors came from sole trader business taxpayers working within the accommodation, cafes and restaurants industry⁸ with 15.9%. This compares to the national average of 35.29%.



⁵ This category includes taxpayers who reported direct income from investment (for example, rental income, interest and dividends) and did not report income or loss from a business, partnership or trust on their tax returns.

⁶ This category includes taxpayers involved in preschool education, school education and tertiary education.

⁷ This category includes taxpayers involved in building construction, site preparation construction, installation trade services, building completion and other construction services.

⁸ This category includes taxpayers involved in hotels, motels, boarding houses, pubs, taverns and bars and cafes and restaurants.

In terms of average tax-deductible donations by industry code, *Chart 22 Average Tax-Deductible Donation by Industry* reveals that the highest average tax-deductible donations made and claimed by individual sole trader business taxpayers in 2003-04 came from taxpayers engaged in cultural and recreational services. These taxpayers made an average tax-deductible donation of \$1,048.21.

The next highest came from sole trader business taxpayers engaged in primary production who made and claimed an average tax-deductible donation of \$854.41. Sole trader business taxpayers engaged in health and community services industry¹⁰ made and claimed an average tax-deductible donation in 2004 of \$826.71. The national average was \$300.61.

At the opposite end of the scale, the lowest average tax-deductible donations made and claimed in 2003-04 came from salary and wage earners with \$159.17. Next lowest were sole trader business taxpayers engaged in the communication industry with an average tax-deductible donation of \$181.54, followed by sole trader business taxpayers involved in the construction industry (\$187.71).

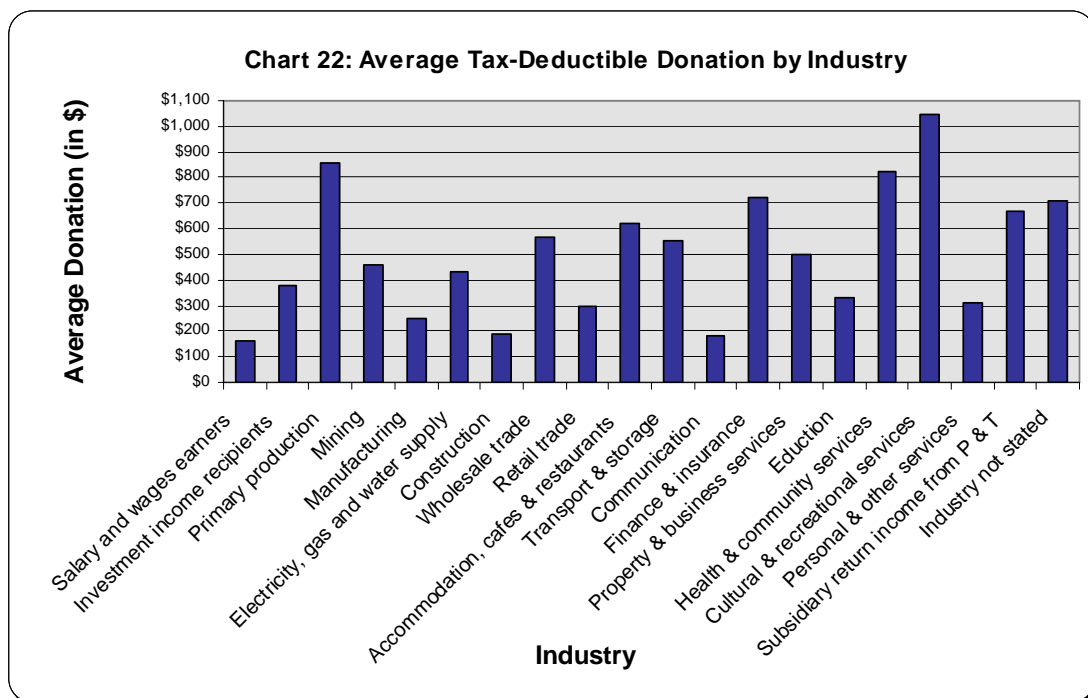


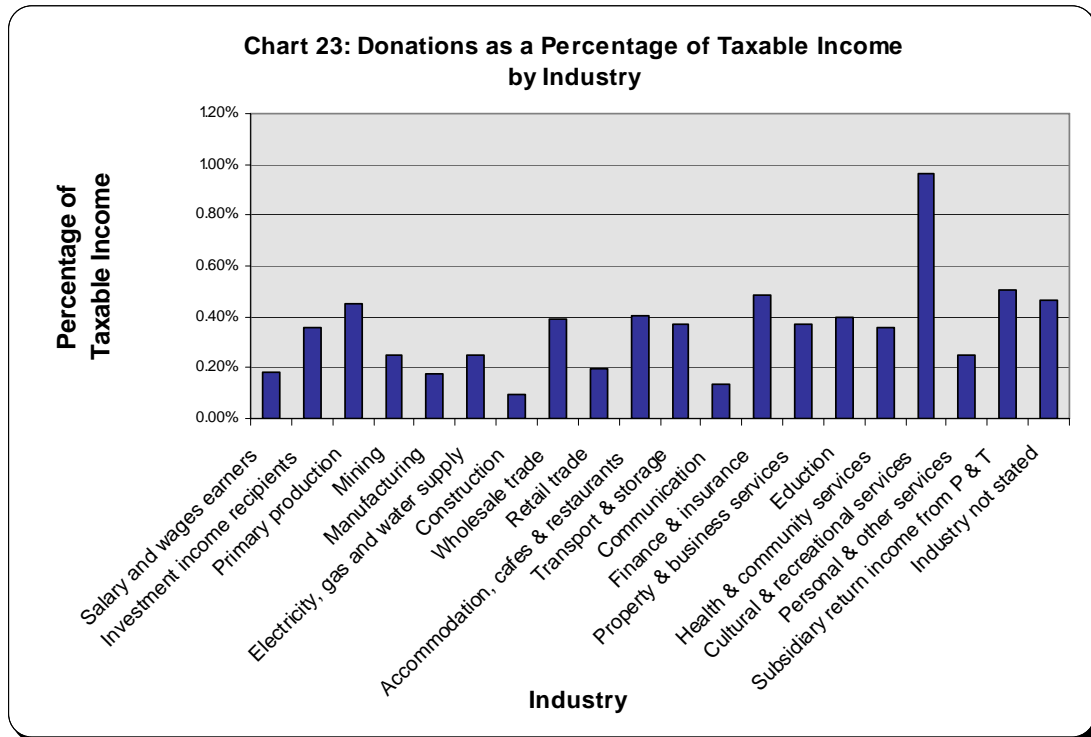
Chart 23 Tax-Deductible Donations as a Percentage of Taxable Income by Industry analyses the amount of tax-deductible donations relative to taxpayers' taxable income by ANZSIC of sole trader business taxpayers. The chart reveals that in 2003-04, sole trader business taxpayers operating in cultural and recreational services donated the equivalent of 0.964% of their taxable income to DGRs in 2004. This is more than three times the national average of 0.29%.

Taxpayers operating in the finance and insurance industry were the next highest donors, donating the equivalent of 0.487% of their taxable incomes to DGRs in 2004.

At the opposite end of the scale, the industry that made and claimed the least amount of tax-deductible donations to DGRs in 2004 (when expressed as a percentage of taxable income) were sole trader business taxpayers operating in the construction

industry. These sole trader business taxpayers donated the equivalent of 0.09% of their taxable income.

The next lowest were sole trader business taxpayers operating in the communication industry¹² who donated the equivalent of 0.135% of their taxable income. This compares to the national average of 0.29%.



Summary and Discussion

Based on the data extracted from Table 5 in the Appendix to this paper (which forms the basis of Charts 19 to 23), individual salary and wage earners contributed the most amount of tax-deductible donations of \$373.25 million. This represented 35.6% of the total amount of tax-deductible donations made to DGRs and claimed by Australian taxpayers in 2004. However, interestingly, this group made a relatively modest average tax-deductible donation of \$159.17, when compared to the national average of \$300.61.

We were also able to ascertain the amount of tax-deductible donations made by sole trader business taxpayers. These included sole traders who carried on a business during 2003-04 and completed the *Business and Professional Items Schedule* (comprising Items P1 to P19) of the 2004 income tax return. This information does not include donations made by taxpayers operating their business through structures including partnerships, trusts and companies.

¹² This includes taxpayers involves in postal services, courier services and telecommunication services.

Our findings indicated that sole trader business taxpayers with the highest total tax-deductible donations and the highest average tax-deductible donations to DGRs in 2003-04 came from the following industries:

<u>Highest TOTAL tax-deductible donation</u>	<u>Highest AVERAGE tax-deductible donation</u>
Primary production (\$54.4 million)	Cultural and recreational services (\$1,048.21)
Property & business services (\$31.4 million)	Primary production (\$854.41)
Cultural & recreational services (\$19 million)	Health and community services (\$826.17)
Health & community services (\$16.9 million)	Finance and insurance (724.62)
Finance & insurance (\$7.9 million)	Accommodation, cafes & restaurants (\$622.08)

Over the past five years, these industries have consistently been ranked in the top six industry groups that have made significant tax-deductible donations to DGRs.

As many DGRs themselves operate in these industries (e.g. hospitals, welfare agencies, community housing, art museums, art galleries etc.), the evidence presented tends to support the proposition that employees within these industries feel an affinity with such organisations and contribute accordingly.

Taxpayers engaged in primary production also make significant tax-deductible donations to DGRs, which is interesting given the economic difficulties faced by the rural sector.

At the opposite end of the scale, our findings indicated that sole trader business taxpayers with the lowest total tax-deductible donations and the lowest average tax-deductible donations to DGRs came from the following industries:

<u>Lowest TOTAL tax-deductible donation</u>	<u>Lowest AVERAGE tax-deductible donation</u>
Electricity, gas & water supply (\$0.04 million)	Communication (\$181.54)
Mining (\$0.18 million)	Construction (\$187.71)
Transport & Storage (\$0.57 million)	Manufacturing (\$252.66)

9.0 LIMITATIONS OF THE STUDY

As with most statistics, the ATO Taxation Statistics have limitations. The following matters should be taken into account when considering this analysis:

- a. This study only uses information based on published ATO material and represents only the extent of tax-deductible donations made and claimed to DGRs by Australian taxpayers at Item *D9 Gifts or Donations* in their individual income tax returns for the 2003-04 income year. This study does not measure the total amounts gifted by Australian taxpayers. It is not known what percentage of taxpayers make tax-deductible donations and forget to claim them in their income tax returns. Many smaller donations may not be claimed. For example, a \$2 door knock receipt may have been lost or forgotten to be claimed at tax time by many taxpayers. However, it is assumed that the larger the donation, the more likely that the donation will be claimed in their tax return by the taxpayer.
- b. It is not known how many erroneous tax-deductible donations are claimed by taxpayers. For instance, in 2002-03, the Australian Taxation Office found 265,547 discrepancies in reviewing individual tax returns.¹³

- c. This study is based only on the extent of charitable giving by individual taxpayers. It does not measure the extent of business or corporate giving. The statistics relating to the extent of tax-deductible donations made by non-individual taxpayers (such as companies, trusts, etc.) is not recorded in published ATO data. Unlike the individual income tax return, the partnership, trust and company income tax returns do not have an item equivalent to Item *D9 Gifts or Donations*.
- d. Furthermore, the amount recorded at item *D9 Gifts or Donations* only represents those donations that can be claimed as an income tax deduction. Many individual taxpayers make donations to organisations that cannot be claimed as tax deductions (eg. purchasing badges or tea towels, buying food and small items from charity-run fetes, buying tickets to a fundraising event or dinner, and sponsorships). The ATO statistics capture pure philanthropic gifts by individuals to donation deductible organisations.
- e. Some taxpayers do not lodge their tax returns by the due date. The ATO adds new information to its aggregate data set when it is processed. This means that the total tax-deductible gifts in a previously reported year may increase in a subsequent annual report, which includes references to previous years. For instance, the data presented in this paper is based on information contained in individual taxpayers' 2004 tax returns processed by the ATO as at 31 October 2005.
- f. Any information contained in 2004 income tax returns lodged by Australian taxpayers after this date will not be reflected in the 2004 Taxation Statistics publication. Instead, information relating to 2004 tax returns of individuals lodged after 31 October 2005 will be incorporated into, and reflected in, future Taxation Statistics publications.

In this paper, we found certain figures have been revised and updated from previous *Taxation Statistics* publications. This is particularly so with the total number of donors, total tax-deductible donations made and donations according to state of residence. This paper indicates the situations where late taxpayer filings have not been included. In all cases the late lodgements do not alter the trends identified.

f. The analysis of industry classifications and gift deductions should not be confused with taxpayers' occupations. The analysis is solely based on taxpayers who are sole traders. For example, lawyers may be included in:

- salary and wage taxpayers (employed lawyers);
- sole trader lawyers who operate their own business;
- lawyers who carry on business as partners in a partnership; or even
- a company or trust.

Thus, this data should not be applied as if it represents the gift deductions of all taxpayers who might provide legal services, **ONLY** those who are sole trader business taxpayers.

¹³ Australian Taxation Office, "Updated Compliance Program 2002-03", 13 October 2004, page 5.

Despite these limitations, the ATO statistics are one of the few places in which donation information is collected on a rigorous basis. All taxpayers are required to make a formal declaration on the front cover of their tax return that the information contained therein is correct. Under the system of self-assessment, the ATO generally treats the tax return lodged by a taxpayer as being correct when lodged.

However, the ATO has a wide-ranging audit program to confirm whether the details disclosed in taxpayers' income tax returns is correct or not. If the taxpayer has made a false or misleading statement or claimed an amount that cannot be substantiated, then the taxpayer is faced with the prospect of fines, penalties and interest charges.

The ATO Taxation Statistics also provide a useful trend as the information collated and published is collected annually on much the same basis. Other surveys are usually snapshots with different questions, methodology and definitions of what is a gift or donation.

However, it is considered the results of this study will prove useful to fundraisers and in the development of fundraising strategies. Knowing where donors come from, and how much taxpayers within certain industries and specific occupations give, can assist DGRs to target fundraising strategies towards these donor groups.

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McGregor-Lowndes, M., and Marsden, S., "*An Examination of Tax-Deductible Donations Made by Individual Australian Taxpayers in 2002-03*", CPNS Working Paper No. 29, QUT, Centre of Philanthropy and Nonprofit Studies, December 2005.

Taxation Statistics 2003-04, Australian Taxation Office, released in May 2006.

LIST OF INTERNET SITES USED

Australian Business Register
<http://www.abr.business.gov.au>.

Australian Taxation Office
<http://www.ato.gov.au>

Australian Valuation Office
<http://www.avo.gov.au>

The Prime Minister's Community Business Partnership
<http://www.partnerships.gov.au>

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Lyons, Mark and Hocking, Susan. *Dimensions of Australia's Third Sector*, CACOM, UTS, Lindfield, 2000.

Salamon, Lester et al. *Global Civil Society. Dimensions of the Nonprofit Sector*, Centre for Civil Society, Johns Hopkins University, Baltimore, 1999.

Taxation Statistics 2004

**Table 1: Total and Average Donations (Revised ATO Data)
Income Years Ending 30 June 1994 to 30 June 2004**

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03
Number of Taxable Taxpayers	7,609,299	7,861,134	8,406,023	8,557,899	8,643,242	8,485,223	8,818,835	8,706,551	8,815,807	8,906,119
Number of Non-Taxable Taxpayers	<u>1,781,791</u>	<u>1,757,876</u>	<u>1,782,590</u>	<u>1,713,234</u>	<u>1,674,343</u>	<u>1,879,508</u>	<u>1,771,009</u>	<u>2,048,894</u>	<u>2,084,780</u>	<u>2,122,804</u>
Total Number of Individual Taxpayers	9,391,090	9,619,010	10,188,613	10,271,133	10,317,585	10,364,731	10,589,844	10,755,445	10,900,587	11,028,923
Taxable income (\$million)	\$ 222,712	\$ 236,580	\$ 264,564	\$ 273,609	\$ 294,734	\$ 309,084	\$ 326,508	\$ 350,093	\$ 362,036	\$ 377,825
Number of Individual Taxpayers Providing Tax-Deductible Donations	3,156,223	3,170,370	3,259,236	3,232,260	3,300,100	3,392,452	3,445,447	3,539,117	3,722,357	3,801,456
Total Tax-Deductible Donations (in \$ millions)	\$ 471.00	\$ 495.00	\$ 539.21	\$ 564.63	\$ 610.95	\$ 685.56	\$ 738.77	\$ 862.45	\$ 919.21	\$ 988.20
Percentage Increase	33.61%	5.10%	8.93%	4.71%	8.20%	12.21%	7.76%	16.74%	6.58%	7.51%
Percentage of Donors to Total Taxpayers	33.61%	32.96%	31.99%	31.47%	31.99%	32.73%	32.54%	32.91%	34.15%	34.47%
Donation as a Percentage of Taxable Income	0.21148%	0.20923%	0.20381%	0.20636%	0.20729%	0.22180%	0.22626%	0.24635%	0.25390%	0.26155%
Average Tax-Deductible Donation	\$ 149.23	\$ 156.13	\$ 165.44	\$ 174.69	\$ 185.13	\$ 202.08	\$ 214.42	\$ 243.69	\$ 246.94	\$ 259.95

Taxation Statistics 2004
Table 2: Donations by Gender (Sex)
Income Year Ending 30 June 2004

Gender	Total Number of Individual Taxpayers	Taxable Income \$m	Total Tax-Deductible Donations		Percentage of Donating Taxpayers to Total Taxpayers %	Donations as a Percentage of Taxable Income %	Average Tax-Deductible Donation \$	Percentage of National Total %
			no.	\$m				
Male	5,697,990	244,564	2,022,398	694.99	35.49%	0.28417%	\$ 343.64	59.68%
Female	5,280,910	150,126	1,851,730	469.63	35.06%	0.31282%	\$ 253.62	40.32%
Total	10,978,900	\$ 394,690	3,874,128	\$ 1,164.62	35.29%	0.29507%	\$ 300.61	100.00%

Taxation Statistics 2004
Table 3: State of Residence
Income Year Ending 30 June 2004

State of Residence	Total Number of Individual Taxpayers	Taxable Income \$million	Total Tax-Deductible Donations		Percentage of Donating Taxpayers to Total Taxpayers %	Donations as a Percentage of Taxable Income %	Average Tax-Deductible Donation \$	Percentage of National Total %
			no.	\$m				
NSW	3,601,712	138,021	1,300,768	511.24	36.12%	0.37041%	\$ 393.03	43.90%
Victoria	2,745,962	98,597	1,046,516	306.18	38.11%	0.31054%	\$ 292.57	26.29%
Queensland	2,125,685	70,527	697,203	146.41	32.80%	0.20759%	\$ 209.99	12.57%
South Australia	837,790	27,972	294,021	67.51	35.09%	0.24134%	\$ 229.60	5.80%
Western Australia	1,103,672	39,328	339,475	84.75	30.76%	0.21550%	\$ 249.65	7.28%
Tasmania	255,258	7,980	78,109	15.96	30.60%	0.20003%	\$ 204.35	1.37%
Northern Territory	97,564	3,542	28,362	5.18	29.07%	0.14623%	\$ 182.64	0.44%
ACT	202,909	8,624	89,317	27.17	44.02%	0.31512%	\$ 304.24	2.33%
Other Taxpayers	8,348	99	357	0.21	4.28%	0.21039%	\$ 582.20	0.02%
Total	10,978,900	\$ 394,690	3,874,128	\$ 1,164.62	35.29%	0.29507%	\$ 300.61	100.00%

Taxation Statistics 2004
Table 4: Income Band
Income Year Ending 30 June 2004

Taxable Income Bands	Total Number of Individual Taxpayers	Taxable Income \$m	Total Number of Individual Taxpayers	Total Tax-Deductible Donations		Percentage of Donating Taxpayers to Total Taxpayers %	Donations as a Percentage of Taxable Income %	Average Tax-Deductible Donation \$	Percentage of National Total %
				no.	\$m				
Less than \$10,000	1,778,055	7,289	1,778,055	165,390	19.33	9.30%	0.26522%	\$ 116.89	1.66%
\$10,000 - \$14,999	936,975	11,133	936,975	216,885	27.78	23.15%	0.24954%	\$ 128.09	2.39%
\$15,000 - \$19,999	906,980	15,035	906,980	261,485	36.41	28.83%	0.24217%	\$ 139.24	3.13%
\$20,000 - \$24,999	908,230	19,353	908,230	298,750	46.19	32.89%	0.23865%	\$ 154.60	3.97%
\$25,000 - \$34,999	1,778,880	50,787	1,778,880	692,580	113.03	38.93%	0.22256%	\$ 163.21	9.71%
\$35,000 - \$49,999	2,083,535	83,684	2,083,535	918,265	171.65	44.07%	0.20512%	\$ 186.93	14.74%
\$50,000 - \$99,999	2,177,915	135,371	2,177,915	1,095,155	314.51	50.28%	0.23233%	\$ 287.18	27.01%
\$100,000 - \$499,999	394,045	58,874	394,045	216,945	231.14	55.06%	0.39260%	\$ 1,065.43	19.85%
\$500,000 - \$999,999	10,935	6,791	10,935	6,555	49.42	59.95%	0.72779%	\$ 7,539.78	4.24%
\$1,000,000 and more	3,345	6,374	3,345	2,115	155.15	63.23%	2.43421%	\$ 73,355.44	13.32%
Total	10,978,895	\$394,690	10,978,895	3,874,125	\$1,164.62	35.29%	0.29507%	\$ 300.61	100.00%

Taxation Statistics 2004
Table 5: ANZIC Industry Code (for Sole Trader Taxpayers)
Income Year Ending 30 June 2004

ANZSIC Industry Classification	Total Number of Individual Taxpayers	Taxable Income \$m	Total Tax-Deductible Donations		Percentage of Donating Taxpayers to Total Taxpayers %	Donations as a Percentage of Taxable Income %	Average Tax-Deductible Donation \$
			no.	\$m			
Salary and wages earners	6,579,969	203,289	2,344,930	373.25	35.64%	0.18360%	\$ 159.17
Investment income recipients	1,666,556	76,072	721,170	272.90	43.27%	0.35873%	\$ 378.41
Primary production	281,497	12,015	63,690	54.42	22.63%	0.45289%	\$ 854.41
Mining	1,766	73	395	0.18	22.37%	0.24678%	\$ 456.83
Manufacturing	59,130	1,756	12,295	3.11	20.79%	0.17691%	\$ 252.66
Electricity, gas and water supply	413	15	85	0.04	20.58%	0.24827%	\$ 430.07
Construction	180,418	5,554	28,285	5.31	15.68%	0.09559%	\$ 187.71
Wholesale trade	16,842	531	3,630	2.06	21.55%	0.38799%	\$ 567.54
Retail trade	77,445	2,125	13,745	4.10	17.75%	0.19279%	\$ 298.04
Accommodation, cafes & restaurants	12,016	292	1,910	1.19	15.90%	0.40669%	\$ 622.08
Transport & storage	54,295	1,455	9,680	5.36	17.83%	0.36805%	\$ 553.37
Communication	15,848	424	3,165	0.57	19.97%	0.13539%	\$ 181.54
Finance & insurance	30,482	1,624	10,915	7.91	35.81%	0.48711%	\$ 724.62
Property & business services	202,285	8,453	62,935	31.38	31.11%	0.37119%	\$ 498.54
Education	21,183	644	7,685	2.55	36.28%	0.39572%	\$ 331.43
Health & community services	64,171	4,720	20,445	16.89	31.86%	0.35785%	\$ 826.17
Cultural & recreational services	62,869	1,966	18,100	18.97	28.79%	0.96489%	\$ 1,048.21
Personal & other services	71,890	1,788	14,370	4.48	19.99%	0.25037%	\$ 311.58
Subsidiary return income from P & T	1,505,547	67,237	506,075	338.30	33.61%	0.50315%	\$ 668.49
Industry not stated	<u>74,275</u>	<u>4,656</u>	<u>30,620</u>	<u>21.67</u>	<u>41.23%</u>	<u>0.46545%</u>	<u>\$ 707.70</u>
Total	10,978,897	\$394,690	3,874,125	\$ 1,164.62	35.29%	0.29507%	\$ 300.61