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9/1/09



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Tuesday 6th January 2009

To whom it may concern,

Thank you for inviting comments from the philanthropy sector in response to the discussion paper 'Improving the integrity of Prescribed Private Funds' as issued in November 2008 by The Treasury.

Zoos Victoria has significant relationships with a number of PPFs and in the past 12 months our organisation has received gifts totalling over \$450,000 from PPFs. These funds have supported our vital wildlife conservation work and in particular our role in the captive breeding of Australia's threatened species.

Whilst Zoos Victoria supports a review of the PPF regulations (we understand the current Guidelines for PPFs are ambiguous), our organisation holds concern about several recommendations as outlined in the Discussion Paper.

- The Discussion Paper recommends that PPFs are required to distribute as much as 15% of the closing value of the fund each year. We understand that this could effectively eliminate perpetuity of certain funds and therefore make these funds redundant within a decade or two. We understand that this would be the case for the three PPFs that have recently and most generously supported Zoos Victoria.

Zoos Victoria supports Philanthropy Australia's recommendation that PPFs are required to distribute a minimum of 5% of the closing value of the fund, therefore ensuring the longevity of the funding source.

- In response to the suggestion that PPFs are to publicly provide their contact details, Zoos Victoria feels that this would deter many new entrants to the field as it is the very privacy that a PPF structure offers, that seems to be of crucial importance to our PPF supporters. The privacy that the current PPF structure provides, enables trustees to seek out the charitable projects they wish to engage with, thus promoting strong engagement between trustees and charitable organisations.

Publicly listing PPFs (to a greater detail than what is currently on the ATO website) will cause undue administrative burden on the PPF,



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requiring the Trustees (or responsible person) to redirect funds away from charitable causes and towards administrative overheads.

- Since the establishment of the PPF structure, there has been a notable rise in giving in Australia via this structure with 769 PPFs established with assets of over \$1.2 billion. The PPF funding that Zoos Victoria has received over the past 12 months has been donated from families that have a long and distinguished history of giving in Australia. The PPF structure is an ideal tool to support the continuation of giving behaviour amongst the younger generations of Australia's high net worth families.

In summary, Zoos Victoria supports the review of current PPF guidelines but we feel strongly that PPFs should not be made to disperse greater than 5% of the closing value of the fund and that PPFs should have the opportunity to remain a private funding entity.

The PPF format is undoubtedly an attractive mechanism for those Australians wishing to engage in philanthropic pursuits. Therefore any changes to the PPF regulations should be made cautiously, so as not to disturb this trend amongst generous Australians to support the charitable causes they believe in, through a structure that enables them to give as they wish.

Yours sincerely,



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