

**An Examination of Tax Deductible
Donations Made By Individual
Australian Taxpayers in
2011 – 12**

Working Paper No. ACPNS 63

Professor Myles McGregor-Lowndes and Marie Crittall

**The Australian Centre for Philanthropy and Nonprofit Studies
Queensland University of Technology
Brisbane, Australia**

June 2014

GPO Box 2434
BRISBANE QLD 4001
Phone: 07 3138 1020
Fax: 07 3138 9131
Email: acpns@qut.edu.au
<http://www.qut.edu.au/business/acpns>
CRICOS code: 00213J

The Australian Centre for Philanthropy and Nonprofit Studies (ACPNS)

is a specialist research and teaching unit at the

Queensland University of Technology in Brisbane, Australia

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. ACPNS's mission is "to bring to the community the benefits of teaching, research, technology and service relevant to philanthropic and nonprofit communities". Its theme is 'For the Common Good.'

The Australian Centre for Philanthropy and Nonprofit Studies reproduces and distributes these working papers from authors who are affiliated with the Centre or who present papers at Centre seminars. They are not edited or reviewed, and the views in them are those of their authors.

A list of all the Centre's publications and working papers is available from <http://www.qut.edu.au/business/acpns> and digital downloads are available through QUT ePrints at <http://eprints.qut.edu.au/>
CRICOS code: 00213J

ISBN: 978-1-921897-74-0

© Queensland University of Technology June 2014

TABLE OF CONTENTS

1.0	EXECUTIVE SUMMARY	2
1.1	OVERVIEW OF THE RESEARCH.....	2
1.2	THE RESEARCH IN CONTEXT	3
1.3	SUMMARY OF FINDINGS	5
2.0	WHAT IS A TAX-DEDUCTIBLE GIFT?.....	9
2.1	CATEGORIES OF DEDUCTIBLE GIFT RECIPIENTS	11
2.2	NEW PHILANTHROPIC AND GIVING TAXATION INITIATIVES	13
2.3	PRIVATE ANCILLARY FUNDS (PAF) – 2007-2011.....	21
3.0	TAX-DEDUCTIBLE DONATIONS BY INDIVIDUAL TAXPAYERS 2011-12	27
3.1	INDIVIDUAL TAXPAYER DONATIONS	28
3.2	INDIVIDUAL TAXPAYER DONATIONS BY GENDER	33
3.3	INDIVIDUAL TAXPAYER DONATIONS BY STATE OF RESIDENCE	39
3.4	INDIVIDUAL TAXPAYER DONATIONS BY STATE AND POSTCODE OF RESIDENCE	47
3.5	INDIVIDUAL TAXPAYER DONATIONS BY INCOME BAND.....	53
3.6	TAXPAYER DONATIONS BY INDUSTRY CLASSIFICATION.....	57
3.7	TAXPAYER DONATIONS BY OCCUPATION	63
4.0	LIMITATIONS OF THE STUDY	67
5.0	BIBLIOGRAPHY	70
6.0	APPENDIX.....	72

1.0 EXECUTIVE SUMMARY

1.1 Overview of the Research

This study uses information based on published ATO material and represents 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 2011-12 income year. The data does not include corporate and trust taxpayers. Expenses such as raffles, sponsorships, fundraising purchases (e.g., sweets, tea towels, special events) or volunteering are generally not deductible as 'gifts'. The *Giving Australia*¹ Report used a more liberal definition of gift to arrive at an estimated total of giving at \$11 billion in the year to January 2005 (excluding Tsunami giving of \$300 million). The \$11 billion total comprised \$5.7 billion from adult Australians, \$2 billion from charity gambling or special events and \$3.3 billion from business sources.

The Productivity Commission in 2010 reported that in 2006-07 for economically significant nonprofit organisations philanthropy revenue was \$7.2 billion, represented by:²

- Donations from philanthropic trusts/foundations - \$0.3 billion
- Donations from business/organisations - \$0.6 billion
- Sponsorships - \$1.1 billion
- Donations from individuals - \$4.2 billion
- Other fundraising - \$1.0 billion

¹ The Prime Minister's Community Business Partnership. (2005). *Giving Australia: Research on philanthropy in Australia*. Retrieved May 27, 2014 from <http://www.qut.edu.au/business/about/research-centres/australian-centre-for-philanthropy-and-nonprofit-studies/publications-and-resources/publications>

² Productivity Commission. (2010). *Contribution of the not-for-profit sector*. Retrieved May 27, 2014 from http://www.pc.gov.au/data/assets/pdf_file/0003/94548/not-for-profit-report.pdf

1.2 The Research in Context

Australia has recorded 21 years of consistent economic growth with no recessions. In 2011, it was the 13th largest national economy by nominal GDP and the 17th largest measured by PPP adjusted GDP, representing about 1.7% of the World economy. Australia was also ranked the 19th largest importer and 19th largest exporter.³ In 2011 the Australian economy was the fastest growing advanced economy in the world. The average middle aged adult had a yearly worth of over \$350 000, making Australians per capita some of the wealthiest people in the world.⁴

Australia's GDP rose to 4.3 per cent in the year. Inflation was at a low 1.6 per cent; interest rates were 3.5 per cent and expected to fall further; and unemployment was round the 5 per cent mark. Average weekly wages rose just over 4 per cent for both men and women during the period. The Australian dollar was trading close to parity with the US dollar. All these statistics pointed to a solid economy, yet consumer and business confidence were at low levels.

The economy was still coping with a high dollar and a mining boom which was creating a multi speed economy with structural change for manufacturing industries. One key area of structural change was the move to household savings after years of high spending, particularly up to 2007. Household savings moved from negative territory in the years 2002–05 to a 2011–2012 figure of about 9 per cent. Consumer confidence, while up 0.3 per cent in June 2012 according to the Westpac–Melbourne Institute index, still showed more people were pessimistic rather than optimistic. This was 1.7 per cent below the rate prevailing in October 2011. The National Australian Bank business confidence index was also at a nine-month low, down 2.2 per cent in May 2012 but remained above the lows of 2009.

³ Field listing - GDP (official exchange rate) (<https://www.cia.gov/library/publications/the-world-factbook/fields/2195.html>), CIA World Fact Book

⁴ <https://www.credit-suisse.com/upload/news-live/000000022454.pdf>

The summer floods of 2010-11 were not repeated in 2011-2012 with only isolated flooding in north eastern New South Wales and southern Queensland. The declared ATO gift appeals for the period were:

Townsville tornado	20 March 2012	Non-Profit News Service No. 0369 - Support for the victims of the tornado in Townsville
New South Wales and Victorian floods	9 March 2012	Non-Profit News Service No. 0367 - Support for the victims of the New South Wales and Victorian floods
Queensland floods - Charleville disaster district	3 February 2012	Non-Profit News Service No. 0362 - Support for victims of south west Queensland floods
Queensland floods - Roma disaster district	2 February 2012	Non-Profit News Service No. 0362 - Support for victims of south west Queensland floods

In the United States, Giving USA 2012 estimated that total charitable contributions from American individuals, corporations and foundations increased 4.0 percent in 2011 from 2010 to \$298.42 billion in contributions (0.9 percent adjusted for inflation).⁵ In the UK, Charities Aid Foundation (CAF) estimated the total amount donated to charity by adults in 2011/12 was £9.3 billion. Compared to 2010/11, this is a decrease of £1.7 billion in cash terms, and a decrease of £2.3 billion in real terms, after adjusting for inflation.⁶ Between 2010/11 and 2011/12, the total amount donated has decreased by 15% on the unadjusted totals and by 20% in real terms (adjusting the 2010/11 total for inflation).

⁵ Giving USA. (2012). *The annual report on philanthropy for the year 2011*. Retrieved May 30, 2012 from <http://www.givingusareports.org/free.php>

⁶ Charities Air Foundation & National Council for Voluntary Organisations. (2012). *The impact of the recession on charitable giving in the UK*. Retrieved May 22, 2014 from <https://www.cafonline.org/PDF/UKGiving2012Summary.pdf>

1.3 Summary of Findings

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 2011-12 was \$2.24 billion (compared to \$2.21 billion for the previous income year). This constitutes an increase of \$30 million from the previous income year.
- In 2011-12, individual taxpayers claimed \$32.72 billion in personal tax deductions. Of this amount, 6.85% of deductions claimed were tax deductible gifts, compared to 6.96% for the cost of managing tax affairs and 59.17% for work related expenses.
- The average tax-deductible donation made to DGRs and claimed by Australian taxpayers in 2011-12 was \$494.25 (compared to \$461.47 in the previous income year). This average amount has nearly trebled 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 Consumer Price Index (CPI).
- In 2011-12, 4.54 million Australian taxpayers (or 35.62% of the Australian taxpaying population) made and claimed tax-deductible donations. This has decreased since the previous year where 37.93% or 4.79 million taxpayers made and claimed a gift.
- On average, those individual taxpayers who make tax-deductible donations to DGRs donate approximately 0.33% of their taxable income. This has fallen from a high of 0.42% in 2007-08.

Gender

- In 2011-12, 2.26 million male taxpayers (or 34.15% of male taxpayers) made and claimed tax-deductible donations to DGRs totalling \$1.29 billion. In contrast, 2.27 million female taxpayers (or 37.21% of female Australian taxpayers) made and claimed tax-deductible donations to DGRs totalling \$955 million in 2011-12.

- The average tax-deductible donation made to DGRs and claimed by Australian male taxpayers in 2011-12 was \$568.83 (\$530.43 in 2010-11) and \$419.97 (\$392.03) for Australian female taxpayers.
- On average, male Australian taxpayers who made tax-deductible donations to DGRs donated approximately 0.31% of their taxable income, compared to 0.37% for females.

State of Residence

- A total of 1,459,825 taxpayers in **New South Wales** claimed tax-deductible donations to DGRs of \$839.56 million. This amount represented 37.45% of the national total. The next largest donor state was **Victoria** whose taxpayers made and claimed tax-deductible donations to DGRs of \$615.68 million, representing 27.46% of the national total. **Queensland** taxpayers claimed tax-deductible donations totalling \$311.81 million, followed by **Western Australia** with \$224.68 million.
- **New South Wales** taxpayers made and claimed the largest average tax-deductible donation to DGRs of \$575.11 compared to the national average of \$494.25. Other taxpayers had an average tax-deductible donation of \$560.66, followed by **Australian Capital Territory** with an average gift of \$553.25. **Western Australia** taxpayers made and claimed an average tax-deductible donation of \$507.40 in 2011-12.
- Taxpayers in the **Australian Capital Territory** donated an average of 0.40% of their taxable incomes, followed by taxpayers in **New South Wales** (0.39%) and **Victoria** (0.38%). This compares to the national average of 0.33%. Taxpayers in **Queensland** donated an average of 0.24% of their taxable incomes.

Income Bands

- In 2011-12, the average taxable gift for all taxpayers was \$494.25. The average tax-deductible donation made and claimed by taxpayers in the \$40,001-\$45,000 income band was \$269.54, being 0.26% of their taxable income with 40.55% of taxpayers in this band claiming a tax deductible gift.

- The average tax-deductible donation made and claimed by taxpayers in the less than \$6,001 income band was \$513.51, with 5.10% of taxpayers in this band claiming a tax deductible gift.
- The average tax-deductible donation made to DGRs and claimed by individual taxpayers earning over one million per year was \$49,678.88 (compared to \$40,606.60 in 2010-11 and \$27,451.27 in 2009-10). Taxpayers earning over \$1 million donated approximately 1.47% of their taxable income to DGRs in 2011-12, compared to the national average of 0.33%.

Tax Deductible Gifts by Postcode

This year, for the fourth time, we have examined deductible gifts by postcode.

- The postcode with the highest total of tax deductible gifts and highest average gift for 2011-12 was **WA 6011 (Cottesloe, and Peppermint Grove)** with \$43,778,673 in total, and an average per taxpayer of \$19,587.77. This is an increase on last year's figure, in which **NSW 2027 (Darling Point, Edgecliff, HMAS Rushcutters, and Point Piper)** claimed a total of \$34,470,178 deductible gifts, with an average gift of \$13,334.69. In Victoria, **3142 (Hawksburn, and Toorak)** reclaimed the title of highest total of tax deductible gifts in the state with \$30,216,306 claimed in total, with an average gift of \$8,036.25 after VIC 3141 (South Yarra) overtook them in 2010-11 .
- The top five postcodes with the highest percentage of taxpayers claiming a gift deduction were all from Victoria with **VIC 3964 (Port Franklin)** taking out the title with 61.54% of taxpayers in this postcode claiming a gift. The **Australian Capital Territory** postcode of **2608 (Civic Square)** was the highest from the other states with 54.17% of taxpayers claiming a gift.

A database of all deductible gifts claimed between 2005 and 2012, fully searchable by postcode, can be found on the ACPNS website at

<http://www.qut.edu.au/business/acpns/publications>

Tax Deductible Gifts by Occupation

This year, for the sixth time, we are able to match occupations declared by taxpayers on their income tax returns with their deductible gifts. This should not be confused with sole trader occupations which has been available for some time, but only captures taxpayers who trade in a business under their own name (i.e. no corporate body or trust involved). The miscellaneous 'no occupation' and 'other' categories have been omitted from the analysis as well as occupation codes containing fewer than 50 people.

- The highest average gift deductions were claimed by Chief Executives and Managing Directors (\$4,862.89) followed by Consultant – Financial Investment (\$2,740.45) and then Anaesthetists (\$2,412.42).
- The occupation with the highest total claimed gift deductions was Chief Executives and Managing Directors (\$226,489,128) followed by General Managers (\$54,998,645).
- The occupation with the highest deductible gift to taxable income ratio was Ministers of Religion (2.19%) followed by Consultant – Financial Investment (1.26%), and then Chief Executives and Managing Directors (1.10%).
- The occupation categories with the highest percentage of donating taxpayers were Police (72.42%), School Principals (67.80%), and Policy and Planning Managers (66.23%).

A database of all deductible gifts claimed between 2006 and 2012, fully searchable by occupation, can be found on the ACPNS web site at

<http://www.qut.edu.au/business/about/research-centres/australian-centre-for-philanthropy-and-nonprofit-studies/publications-and-resources/giving-by-postcode>

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 (i.e. donations) made during the income year to endorsed Deductible Gift Recipients (DGRs). There are two 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.

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 determinations and represents the most comprehensive taxation ruling issued by the ATO on the subject of tax-deductible gifts. TR 2005/13 contains 230 paragraphs, 81 worked examples and spans 47 pages.

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 (i.e. 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;
- 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 since 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 (except to political parties); and
- payments where the person has an understanding with the recipient that the payment will be used to provide a benefit to the donor.

However, since 1 July 2004 the government has allowed certain contributions, which do not fall under the strict definition of a gift, to be deductible. A deduction is now allowed where the donor receives a benefit in connection with the contribution, provided that certain conditions are met and the benefit does not exceed a specified limit. Broadly, this allows deductions for two separate types of contributions at a DGR fundraising event in Australia, namely:

- contributions made in return for a right to participate in a fundraising event (e.g. the purchase of a ticket to attend a charity ball, fete, dinner, performance or similar charitable fund-raising event); and
- contributions made by way of consideration for the supply of goods and services for successful bidding at a charity auction that is conducted by a deductible gift recipient.

2.1 Categories of Deductible Gift Recipients

Since 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 since 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).

Five new general categories of deductible gift recipient have been allowed since 1 July 2006:

- disaster relief;
- war memorials;
- animal welfare;
- charitable services; and
- educational scholarships.

In addition to the above general categories of funds, authorities, institutions and organisations, gifts of \$2 or more made to recipients specified in Sections 30-15 to 30-100 of the ITAA 1997 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.⁷ As at 31 October 2012 there were nearly 56,279 Tax Concession Charities but only about 29,046 qualify as DGRs able to give tax deductible receipts.

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.

⁷ Australian Business Register. (2012). *ABN look up*. Retrieved 1 June, 2014 from <http://www.abr.business.gov.au/> and ACNC Find A charity at <http://www.acnc.gov.au/>.

2.2 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. These new measures included:

- establishment of Prescribed Private Funds (PPFs) – now known as Private Ancillary Funds (PAFs);
- tax deductibility for 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
- new DGR category of health promotion charities.

Each of these taxation incentives is discussed below in more detail.

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 rolled out gradually since 1999.⁸

2.2.1 Private Ancillary Funds (PAFs) (formerly Prescribed Private Funds (PPFs))

A PPF is a fund established by will or trust instrument with:

- DGR status (i.e., gifts to it are deductible to the donor);
- normally, income tax exempt status (i.e., 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

⁸ The Prime Minister's Community Business Partnership. (n.d.). *Taxation initiatives to encourage philanthropy*. Retrieved 1 June 2014 from http://www.dss.gov.au/sites/default/files/documents/05_2012/pmcbp_fs5.pdf

to philanthropy, as it was often difficult to satisfy the previous test of “public donations” before a fund would be endorsed as a DGR.

On 1 October 2009 a new regime began for PPFs. Existing PPFs became Private Ancillary Funds (PAFs) and they were taken to be endorsed as deductible gift recipients. The Minister was given power to make guidelines about the establishment and maintenance of PAFs. Each trustee of an existing PPF was taken to have agreed to comply with PAF Guidelines. Only a constitutional corporation can be a trustee of a PAF.

The administration of PAFs was vested fully in the Commissioner of Taxation, subject to some transitional provisions. The Commissioner has power to:

- endorse PAFs as deductible gift recipients and tax concession charities or income tax exempt funds;
- revoke endorsement;
- impose administrative penalties on trustees, and their directors; and
- suspend, remove and replace trustees.

The legislative changes are contained in *Tax Laws Amendment (2009 Measures No. 4) Act 2009* (Cth) which received Royal Assent on 18 September 2009. The PAF Guidelines were signed on 28 September 2009 and a model trust deed was released soon after by the Australian Taxation Office.

The PAF Guidelines are a legislative instrument and so have legal effect, in contrast to the guidelines that applied to PPFs. PAFs must agree to comply with the Guidelines.

In each financial year, a PAF must distribute to deductible gift recipients an amount equal to at least 5% of the market value of its net assets as at the end of the previous financial year. The market value of the assets must be estimated as specified in the Guidelines.

A PAF must not acquire a collectable, may not carry on a business, and may not solicit donations from the public. A PAF is also effectively limited in the donations it can accept from ‘outsiders’.

A PAF must have and maintain a current investment strategy and subject to some exceptions, may not borrow or maintain an existing borrowing. The trustee must prepare and maintain a current investment strategy meeting the requirements of the PAF Guidelines. Special obligations are also imposed on the independent responsible person on the board of directors of the trustee.

The Guidelines contain some exceptions/qualifications in respect of the above rules, and the Guidelines and Act contain transitional provisions in respect of certain PAFs that existed before 1 October 2009.

2.2.2 Gifts of Property over \$5,000

From 1 July 2001 changes to the legislation enabled donors to claim a tax deduction for gifts of property held by the donor and 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.

Tax Laws Amendment (2007 Measures No. 2) Act 2007 made several amendments to the *Income Tax Assessment Act 1997* to promote philanthropy. To promote philanthropic giving, the Government announced in the 2006-07 Budget that it would allow a tax deduction for the donation of certain publicly listed shares to DGRs, extending the current gift provisions.

The amendments allow a tax deduction for donations of shares in listed public companies, which were acquired at least 12 months before the donation, and have a market value of \$5,000 or less. Donors can claim a deduction for the market value of the shares as at the day they made the gift.

2.2.3 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).

2.2.4 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.

2.2.5 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.

2.2.6 The Cultural Gifts Program – Capital Gains Tax Exemption

Since 1 July 1999, bequests of property and gifts of cultural property made through the Cultural Gifts Program are exempt from capital gains tax, thus maximising the appreciated value of these gifts for tax deduction purposes.

2.2.7 Deductions for Fundraising Dinners and Similar Events

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

Further changes were made from 1 January 2007 to reduce the minimum contribution threshold to \$150 (previously \$250), to allow a greater number of charities to use the measure for fundraising. The value of the minor benefit allowed was increased to 20 per cent of the gift – or ticket price – but not exceeding a value of \$150 (previously 10% not exceeding \$100).

2.2.8 Health Promotion Charities

A new DGR category known as Health Promotion Charities is entitled to the same benefits as Public Benevolent Institutions. This category 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.

2.2.9 Donations to political parties and other candidates

Before 22 June 2006, former item 3 in the table contained in section 30-15(2) ITAA 1997 provided that a deduction to a political party registered under *Commonwealth Electoral Act 1918* Pt XI may be allowable but was limited to \$100 and could not be claimed by a company. From 22 June 2006, under Subdiv 30-DA ITAA 1997:

- the tax deductible threshold for political contributions is \$1,500 for an income year;
- deductions are allowed for contributions made to political parties registered under state and territory, as well as federal, electoral legislation;
- gifts to independent candidates and independent members may be deductible; and
- companies may be entitled to deductions.

Tax Laws Amendment (2008 Measures No. 1) Bill 2008 was passed by the House of Representatives on 21 February 2008 and introduced to the Senate on 11 March 2008. Schedule 1 of the Bill amends the income tax law to remove tax deductibility for contributions or gifts to political parties, independent members and candidates. The measure applies in relation to contributions and gifts made on or after 1 July 2008. The Senate referred the provisions of Schedule 1 to the Joint Standing Committee on Electoral Matters for inquiry and report by June 2009. Further, the *Tax Laws Amendment (Political Contributions and Gifts) Bill 2008* was passed by the Senate on Tuesday, 3 February 2009 with amendments. Individual taxpayers will still be able to claim a tax deduction for such gifts to \$1,500 due to amendments.

2.2.10 Five new general categories of deductible gift recipient from 1 July 2006:

- **Australian disaster relief funds** – public funds for relief of people in distress as a result of a declared disaster which occurred in Australia;
- **animal welfare charities** – charitable institutions that provide short-term direct care and/or rehabilitate certain animals;
- **charitable services institutions** – charitable institutions that would be public benevolent institutions but for their health promotion and/or harm prevention activities;
- **war memorial repair funds** – public funds established and maintained for the reconstruction or critical repair of a qualifying war memorial; and
- **developed country disaster relief funds** – public funds established by a public benevolent institution for relief of people in distress as a result of a declared disaster in a developed country.

2.2.11 Educational Scholarships

From 1 July 2006, a public fund established for charitable purposes is eligible for endorsement as a DGR by the Commissioner if its sole purpose is to provide money for scholarships, bursaries or prizes to which section 30-37 of the ITAA 1997 applies.

A scholarship, bursary or prize to which the section applies is one which:

- may only be awarded to Australian citizens, or permanent residents of Australia, within the meaning of the *Australian Citizenship Act 1948*;

- is open to individuals or groups of individuals throughout a region of at least 200,000 people, or throughout at least an entire state or territory;
- promotes recipients' education in either or both of:
 - pre-school courses, primary courses, secondary courses or tertiary courses,
 - educational institutions overseas, by way of study of a component of one of the above courses; and
- is awarded on merit or for reasons of equity (e.g. for students who are experiencing financial disadvantage or hardship).

Scholarships and bursaries are ongoing or one-off benefit payments for school fees, textbooks and related educational expenses such as uniforms or travel. A prize is an award of money or property that is usually conferred for reasons of merit such as academic achievement, but may also be for reasons of equity.

2.2.12 Share Gifts

From 1 July 2007, if you make a gift of listed shares valued at \$5,000 or less that you acquired at least 12 months earlier, you could be eligible to claim a deduction. For the gift to be tax deductible, **all** of the following requirements must be met:

- The shares were acquired in a listed public company;
- When the shares were gifted, they were listed for quotation on the official list of an Australian stock exchange;
- The shares were gifted to a deductible gift recipient;
- The shares were acquired at least 12 months before they were gifted; and
- The market value of the shares was \$5,000 or less on the day they were gifted.

2.2.13 Public Ancillary Fund amendments

In the May 2010 Budget, the federal government announced that it would improve the integrity of Public Ancillary Funds (PUFs) by introducing a new regulatory framework similar to that introduced for Private Ancillary Funds (PAFs). Amending legislation was introduced as part of *Tax Laws Amendment (2011 Measures No 7) Bill 2011*. Guidelines were made by legislative instrument on 9 December 2011, setting out rules for establishing, operating and winding up a PUF, and transitional provisions. Most changes took effect from 1 January 2012.

The reformed regulatory framework takes much of its shape from that of PAFs. A new section 426-102 inserted into Schedule 1 of *Taxation Administration Act 1953* sets out the elements of a trust that is a PUF, including that trustees are constitutional corporations or a Public Trustee. The main amendments introduced have the effect that:

- An ancillary fund is defined as a ‘public ancillary fund’ or ‘private ancillary fund’ in *Income Tax Assessment Act 1997*, section 995-1. And philanthropic trust funds can be ‘public ancillary funds’ or ‘private ancillary funds’ under *Taxation Administration Act 1953*, (Schedule 1 section 426-1);
- PUFs are identified as such on the Australian Business Register (*Taxation Administration Act 1953*, Schedule 1 section 426-104);
- The Minister (Treasurer) must make binding guidelines through legislative instruments (*Taxation Administration Act 1953*, Schedule 1 section 426-103);
- The Commissioner of Taxation will have power (under *Taxation Administration Act 1953*, Schedule 1 section 426-120) to:
 - impose administrative penalties on trustees and directors of trustees who breach the guidelines; or
 - suspend or remove trustees for breaches of guidelines.

The *Public Ancillary Fund Guidelines 2011* set out requirements for operation, winding up and portability, including:

- the PUF’s nonprofit nature;
- minimum annual distribution of 4 per cent of the market value of net assets;
- annual valuation of assets;
- accounts; annual financial statements; and audit of financial accounts;
- annual income tax return;
- investment strategy and limitations on investing;
- trustees’ fees and remuneration;
- inviting the public to donate; and
- transferring assets to another PUF.

There are transitional rules about distribution, where a fund’s governing rules are inconsistent with the *Guidelines*, or where a fund holds prohibited investments or has existing borrowings, and where a trustee is not a constitutional corporation.

2.3 Private Ancillary Funds⁹ (PAF) – 2007-2011

PAFs are trusts to which taxpayers can make tax deductible donations.¹⁰ The term *private ancillary fund* is defined in the taxation legislation and has some similarities with the US private family foundation. The **sole** purpose of a PAF must be to provide money, property or benefits to funds, authorities or institutions, which are deductible gift recipients (DGRs).

Due to changes in ATO procedure, the PAF data for the 2011-12 year is not yet available.

The following data is correct as of October 2011.

Table 1: Numbers of PAFs, donations received, distributions made and closing values					
Date	Number of PAFs approved in the year	Total number of PAFs approved	Donations received (\$m)	Distributions made (\$m)	Closing value (\$m)
2000-01	22	22	79.13	0	78.62
2001-02	59	81	53.04	6.69	133.71
2002-03	51	132	53.18	18.42	179.33
2003-04	89	221	155.66	27.46	332.02
2004-05	94	315	192.69	57.43	525.90
2005-06	125	440	364.94	84.47	848.51
2006-07	159	599	533.26	133.42	1,483.93
2007-08	170	769	779.33	140.57	1,889.64
2008-09	54	822	272.71	155.24	2,016.00
2009-10	57	879	321.04	197.47	2,267.00
2010-11	103	924	304.39	165.41	2,124.46

As at 31 October 2011, there were 924 PAFs approved or merely waiting formal legislative approval notification with 103 new PAFs approved, representing a 5.11% increase from the previous financial year (see Charts 1 and 2). The increase in PAF creation may be due to recovery from the unsettled global economic climate as well as the prolonged Treasury reform process applied to PAFs which covered new distribution and governance arrangements.

⁹ On 1 October 2009, existing Prescribed Private Funds (PPFs) became Private Ancillary Funds (PAFs).

¹⁰ PPFs were part of the Howard Government's response to the report on philanthropy in Australia by the Business and Community Partnerships Working Group on Taxation Reform dated 26 March 1999.

Chart 1: Number of PAFs Approved By Year

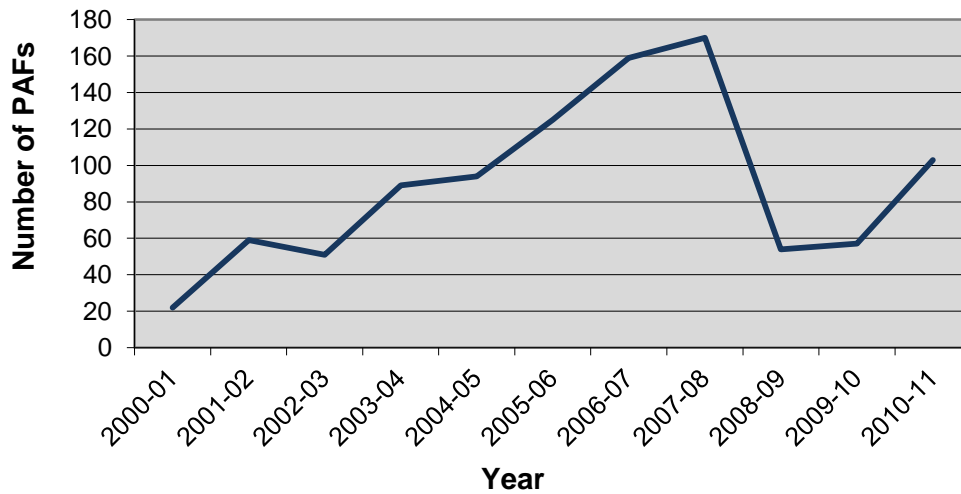
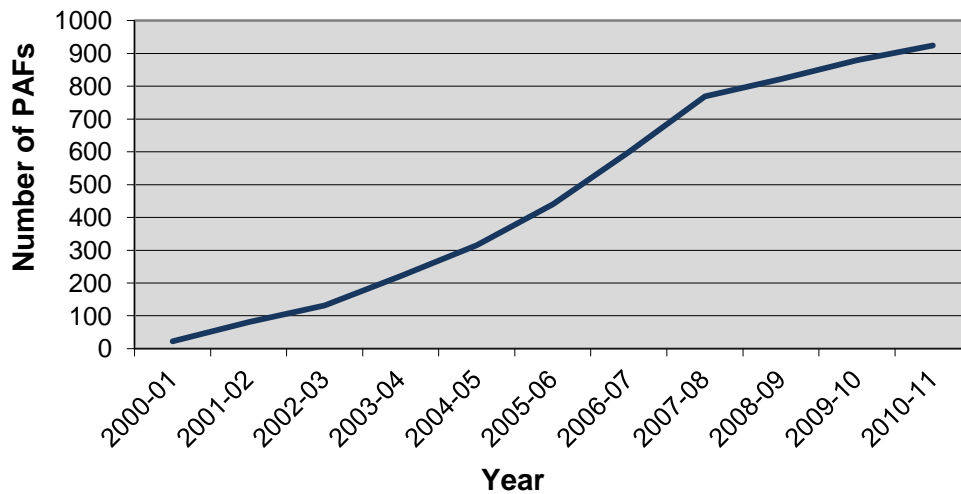


Chart 2 displays the total number of PAFs approved by year. It can be seen that there has been an increase in the number of PAFs approved each year.

Chart 2: Total Number of PAFs Approved By Year



As can be seen in Chart 3, for the year ending 30 June 2011, a total of \$304 million was donated to PAFs. This represents a 5.19% decrease in donations from the previous 2009-10 financial year, during which \$321 million dollars was donated.

Chart 3: Donations Received By Year

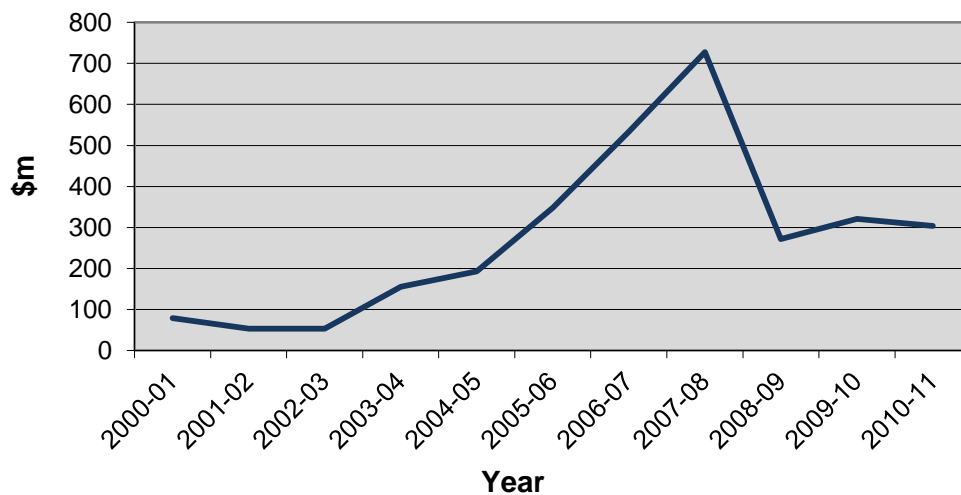


Chart 4 displays the value (in millions) of distributions made across the years by PAFs.

Chart 4: Distributions Made By Year

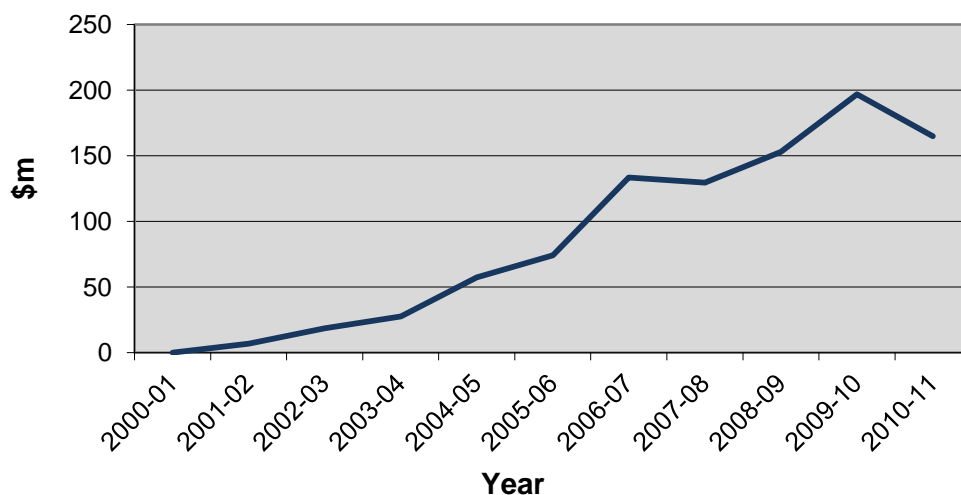
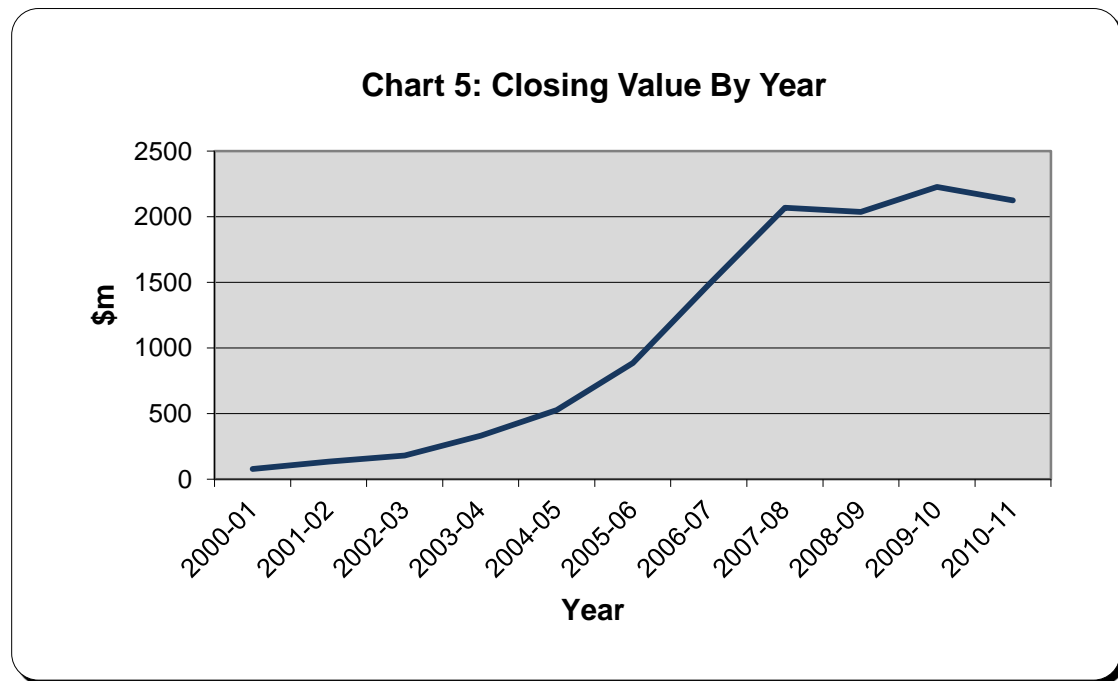


Chart 5 displays the closing value of PAFs by year.



In 2010-11 PAF distributions increased to DGR categories of Environment (\$12.6m to \$13m) and International Affairs (\$16m to \$18m), Sports & Recreation (\$0.05m to \$0.09m) and Cultural organizations (\$26m to \$28m). There were distribution decreases to Health (\$18m to \$14m), Education (\$20m to \$10m), Research (\$25m to \$5m) and Welfare (\$48m to \$42m). Overall welfare (\$289m) has received the most distributions over the years, followed by Cultural Organizations (\$138m) and Education (\$104m).

Table 2: Distributions made to deductible gift recipients by category of recipient (\$) ¹¹¹²

DGR General categories	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
Health	534,141	390,113	1,382,296	2,442,957	5,775,830	7,832,183	9,803,167	14,410,340	18,435,455	14,160,319
Education	851,036	3,451,638	4,234,797	12,605,664	12,242,161	9,873,819	16,206,527	14,540,161	20,261,363	9,977,762
Research	199,800	577,732	1,322,925	598,928	2,001,817	2,353,085	11,597,567	2,874,685	25,081,891	4,931,365
Welfare	2,780,203	8,315,269	9,593,833	23,518,609	23,047,455	36,946,138	44,355,002	49,651,302	48,878,297	42,091,825
Environment	176,000	541,253	1,057,177	1,917,820	5,797,762	7,636,862	14,107,795	13,006,208	12,645,892	13,311,684
International Affairs	121,020	417,707	4,008,264	4,872,084	4,852,781	5,885,893	11,159,253	10,243,277	16,179,924	17,584,209
Sports & Recreation	0	0	0	0	84,500	41,380	463,500	17,369	53,535	87,697
Cultural Organisations	761,345	2,549,380	2,893,616	2,310,460	5,239,626	39,929,082	10,943,058	18,546,509	26,368,480	28,341,761
Other	1,069,630	1,196,252	1,902,155	5,849,139	18,043,012	16,737,040	14,406,530	22,290,872	23,983,222	22,916,849
Ancillary Fund DGRs	198,800	955,770	939,054	2,426,941	5,271,341	5,762,247	6,958,664	7,153,762	4,631,412	11,611,933
Not a DGR	0	25,048	124,100	888,662	2,117,903	418,048	298,267	1,252,612	949,900	32,100
Not a DGR but a TCC	n.a.	n.a.	n.a.	n.a.	n.a.	6,080	270,872	1,256,764	0	362,640
Total distributions made	6,691,975	18,420,162	27,458,217	57,431,265	84,474,188	133,421,856	140,570,201	155,243,860	197,469,370	165,410,144

¹¹ Data from the 2011-12 year not available at time of publication. Data displayed is from 2010-11 year

¹² 'Other' includes donations to 'family', 'defence', 'industry, trade and design', 'philanthropic trusts' and specifically listed DGRs that were not able to be otherwise classified.

Further information on broad categories of DGRS is available from table 3.

Table 3: General Categories of DGR	
Health	Public hospital, Nonprofit hospital, Public fund for public and non-public hospitals, Public authority for research, Public institution for research, Health promotion charity
Education	Public university, Public fund for the establishment of a public university, Higher education institution, Residential educational institution, Commonwealth residential educational institution, Affiliated residential educational institution, TAFE, Public fund for religious instruction in government schools, Roman Catholic public fund for religious instruction in government school, School building fund, Public fund for rural school hostel building, Life education company
Research	Approved research institute, The Commonwealth
Ancillary fund DGRs	
Welfare and rights	Public benevolent institution, Public fund for benevolent institutions, Public fund for persons in necessitous circumstances
Environment	Public fund on the Register of Environmental Organisations
International Affairs	Overseas aid fund
Sports and Recreation	Guides branch, Scouts branch
Cultural organisations	Public fund on the Register of Cultural Organisations, Public library, Public museum, Public art gallery, Institution consisting of a public library, public museum and a public art gallery or of any two of them
Other unknown	Public fund for approved marriage guidance organization, the Commonwealth or a State, Public institution or public fund for members of the armed forces

3.0 TAX-DEDUCTIBLE DONATIONS BY INDIVIDUAL TAXPAYERS 2011-12

This section of the paper analyses the nature and extent of tax-deductible donations to DGRs claimed by Australian individual taxpayers in their 2011-12 income tax returns.

As mentioned in the Executive Summary, the information presented is based on the amount and type of tax-deductible donations made to DGRs and claimed by Australian individual taxpayers for the period 1 July 2011 to 30 June 2012. This information has been extracted mainly from the ATO's publication *Taxation Statistics 2011-2012*.¹³ The 2011-12 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 to DGRs and claimed by Australian taxpayers at Item *D9 Gifts or Donations* in their individual income tax returns for the 2011 income year, and that have been processed by 31 October 2012. The data do not include corporate taxpayers as there is no provision on corporate taxpayers' tax returns to disclose gifts made to DGRs. Expenses such as raffles, sponsorships, fundraising purchases (e.g., sweets, tea towels, special events) or volunteering are generally not deductible as 'gifts'.

The *Giving Australia* Report used a more liberal definition of gift to arrive at an estimated total of giving at \$11 billion for 2005 (excluding Tsunami giving of \$300 million). The \$11 billion total comprised \$5.7 billion from adult Australians, \$2 billion from charity gambling or special events and \$3.3 billion from business sources.¹⁴

¹³ The data represent information in tax returns for the 2011-12 year processed by the ATO as at 31 October 2013. It also includes some additional data supplied directly by the ATO to ACPNS researchers.

¹⁴ The Prime Minister's Community Business Partnership. (2005). *Giving Australia: Research on philanthropy in Australia*. Retrieved May 27, 2014 from <http://www.qut.edu.au/business/about/research-centres/australian-centre-for-philanthropy-and-nonprofit-studies/publications-and-resources>

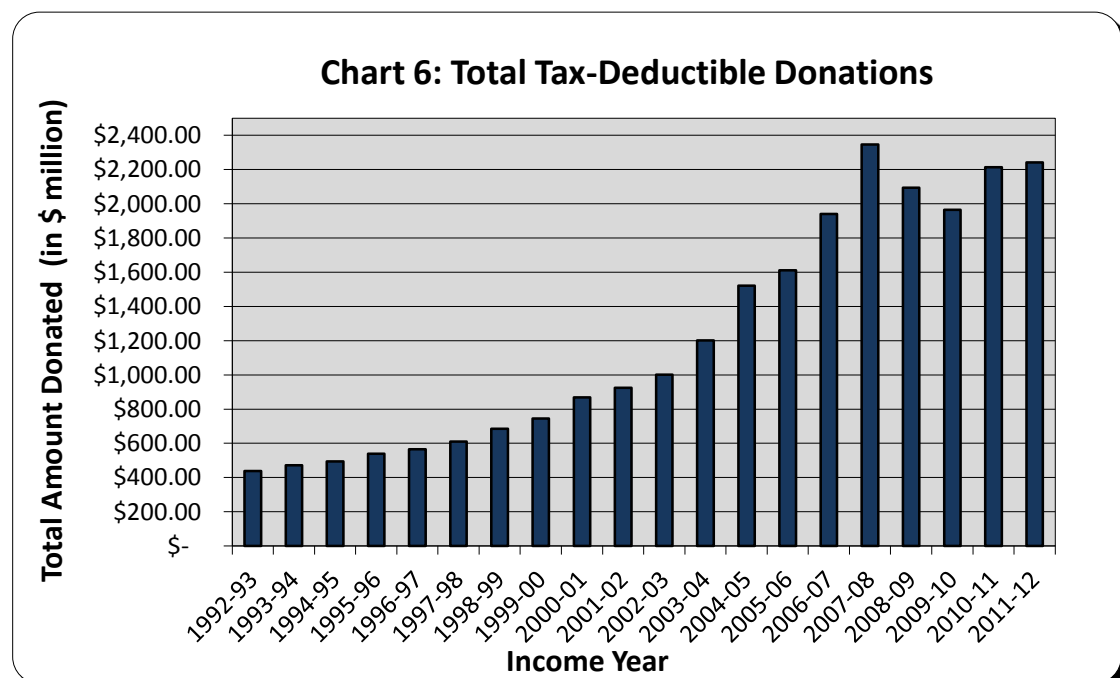
3.1 Individual Taxpayer Donations

Table 1 in the Appendix to this paper contains data relating to the amount of tax-deductible donations made to DGRs and claimed by individual Australian taxpayers in their 2010-11 income tax return and revised data for previous income years.

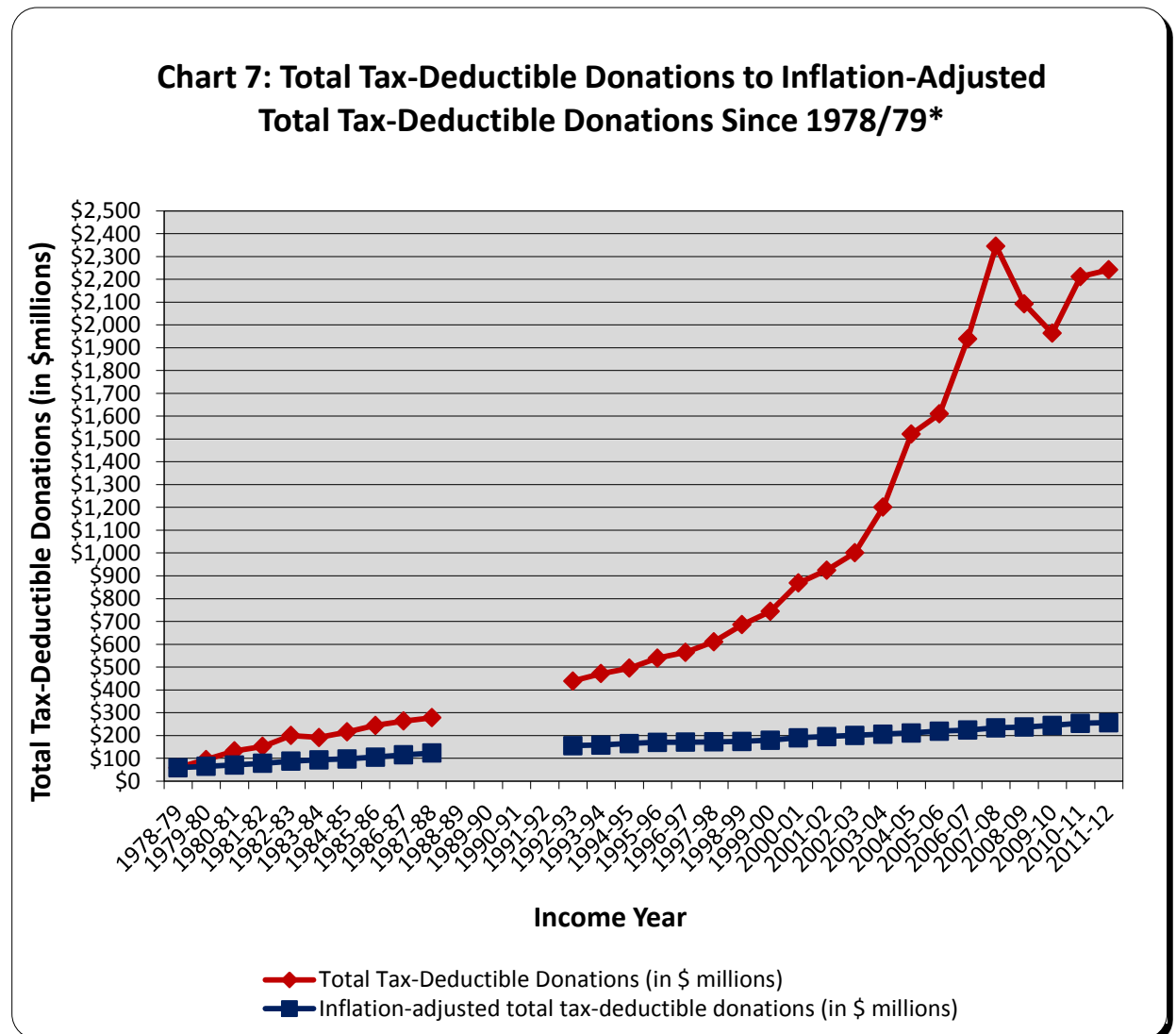
According to ATO Statistics, in 2011-12 a total of 4.54 million individual taxpayers made and claimed tax-deductible donations to DGRs totalling \$2.24 billion. This represented an increase from the previous income year's total of \$2.21 billion.

Gift deductions represent 6.85% of all personal taxpayer deductions. This compares to deductions for the cost of managing tax affairs claimed by Australian taxpayers in 2011-12, which totalled \$2.28 billion, or 6.96% of all personal taxpayer deductions.

Chart 6: Total Tax-Deductible Donations shows a fifteen year comparison of the total amount of tax-deductible donations made to DGRs and claimed by individual Australian taxpayers between the 1992-93 and 2011-12 income years.



As *Chart 7* below, depicts, using a base year of 1978-79, the actual total tax-deductible donations made by Australian taxpayers far exceeds inflation as measured by the Consumer Price Index (CPI).



*Disclosure of tax-deductible donations was not required in income tax returns from 1988-1992.

Chart 8 (overleaf): Percentage of Donating Taxpayers to Total Taxpayers reveals that in 2011-12, 35.62% of the Australian taxpaying population (or 4.54 million Australian taxpayers) made and claimed tax-deductible donations. Put another way, about one in three Australian taxpayers donated money to DGRs and claimed tax deductions for these amounts during the 2011-12 income year.

Chart 8: Percentage of Donating Taxpayers to Total Taxpayers

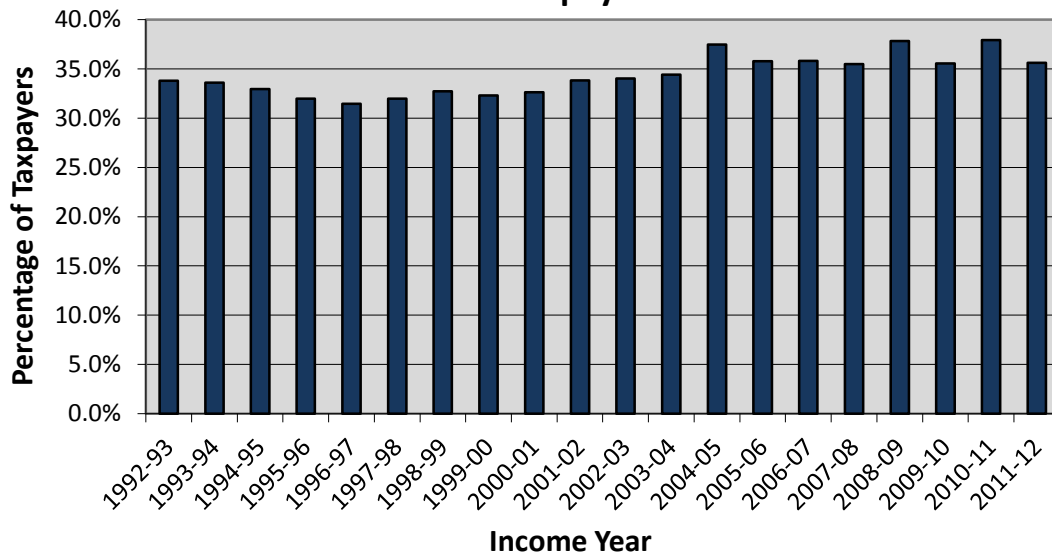


Chart 9 Total Donating Taxpayers to Total Taxpayers shows the number of taxpayers who claimed tax-deductible donations to DGRs against the total number of taxpayers in 2011-12.

Chart 9: Total Donating Taxpayers to Total Taxpayers

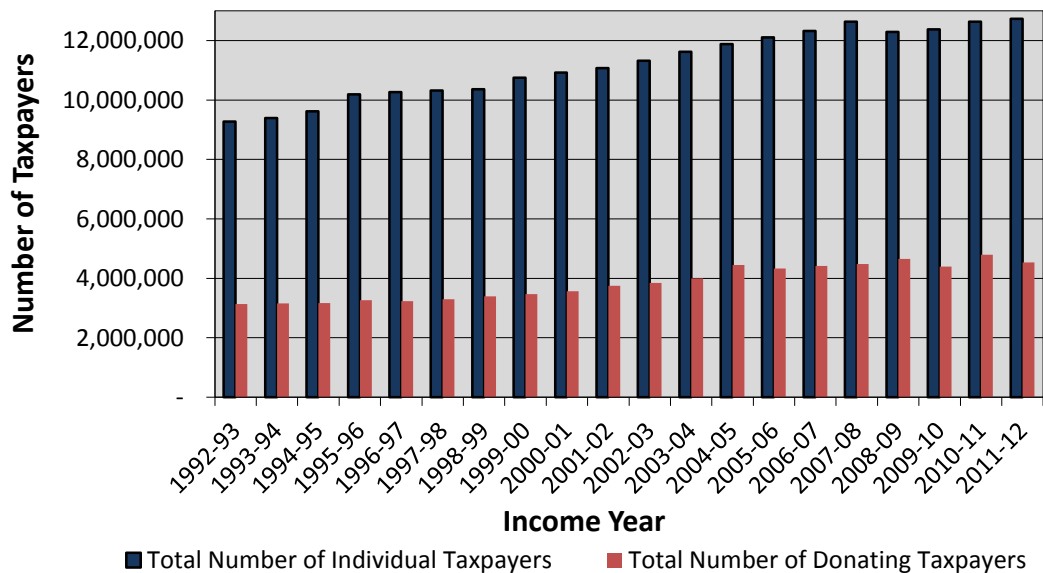


Chart 9 reveals that since 1995-96, the number of donating Australian taxpayers has increased from 3,259,235 to 4,536,370, whilst, in comparison, the total number of taxpayers (both taxable and non-taxable) has increased from 10,188,615 to 12,736,030 for the same period.

This leads to the conclusion that the number of donating taxpayers (31.99% in 1995-96 to 35.62% in 2011-12) is more than keeping pace with the total numerical growth of Australian individual taxpayers. The number of taxpayers claiming a deductible gift in 2011-12 decreased by 257,405 from the previous year, however, the total amount donated increased by \$30 million (or 1.4%).

Chart 10: Average Tax-Deductible Donation shows a comparison of the average tax-deductible donations made to a DGR and claimed by individual Australian taxpayers from 1992-93 to 2011-12. The average tax-deductible donation made to DGRs and claimed by Australian taxpayers for 2011-12 was \$494.25. This represented an increase of 7.1% since the previous income year, in which the average donation was \$461.47.

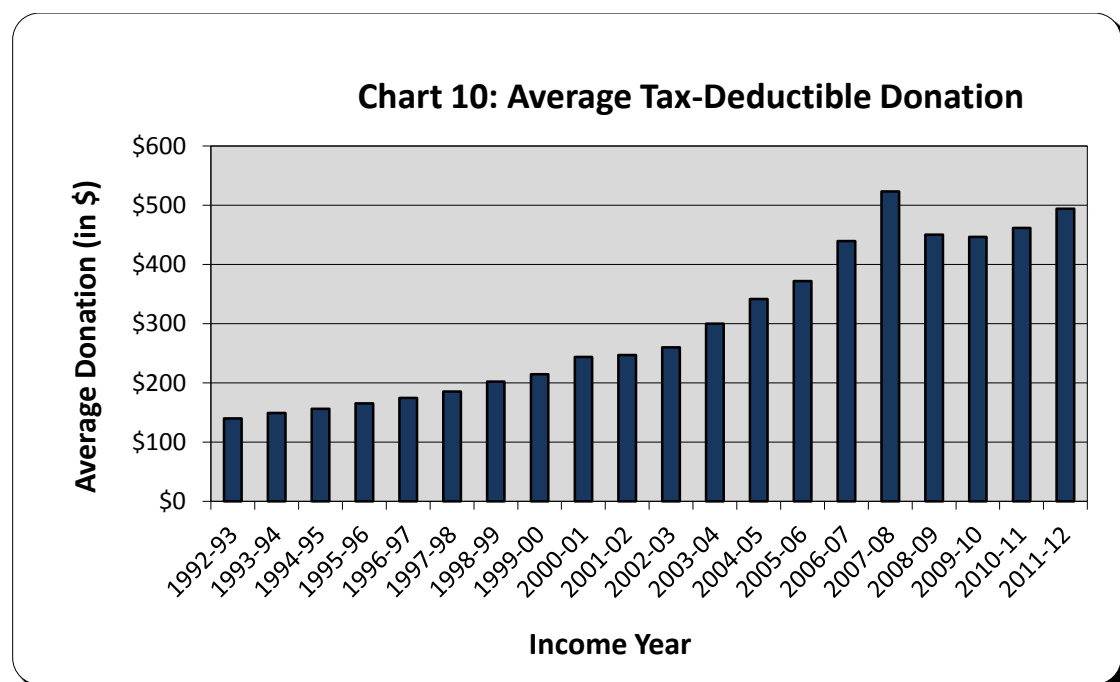


Chart 11: *Tax-Deductible Donations as a Percentage of Taxable Income* graphs the percentage of taxable income that Australians donate to DGRs and claim as tax deductions.

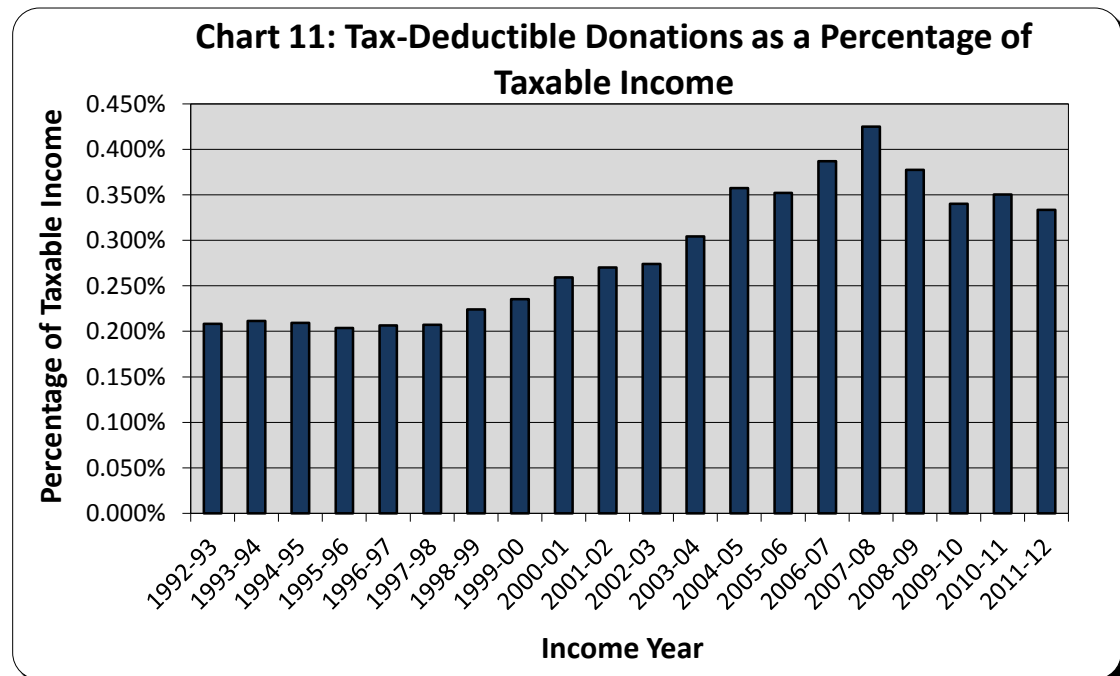


Chart 11 reveals that in 2011-12, on average, those individual taxpayers who make tax-deductible donations to DGRs donate 0.33% of their taxable income. This is a decrease from the previous income year, in which the average percentage of taxable income donated was 0.35%.

The ATO also provides data on workplace giving programs (see table 4 overleaf). While the number of employees using workplace giving has fallen by 15.7%, the amount donated using workplace giving has increased by \$7 million from the previous year.

Table 4: Workplace Giving Programs 2009-10 and 2011-12 Income Years			
	2009-10	2010-11	2011-12
Total number of employees employed by workplace giving employers (no.)	2,504,598	3,333,580	2,958,090
Number of employees using workplace giving (no.)	101,204	157,588	132,885
Total donations given using workplace giving (\$m)	23	33	40

3.1.1 Summary and Discussion

Based on the data extracted from Table 1 in the Appendix and Charts 6 to 11, our analysis reveals that Australians giving has increased in total. There has, however, been a decrease in the percentage of taxpayers claiming a tax deductible gift and the percentage of income being donated in 2011-12 compared to 2010-11. The average tax deductible donation has increased from \$461.47 in 2010-11 to \$494.25 in 2011-12.

3.2 Individual Taxpayer Donations by GENDER

Table 2 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 2011-12 income tax return according to gender.

Chart 12 (overleaf) shows the *Total Tax-Deductible Donations by Gender*¹⁵. In 2011-12, 2,263,395 male taxpayers made and claimed tax-deductible donations to DGRs totalling \$1.29 billion. This represented 57.42% of the total tax deductible donations made and claimed in 2011-12. A total of 2,273,040 female taxpayers made and claimed tax-deductible donations to DGRs totalling \$955 million in 2011-12. This represented 42.58% of the total tax deductible donations made and claimed in 2011-12.

¹⁵ Please note, the data displayed is for people nominating their gender as either male or female. Data for people identifying their gender as 'other' is not displayed.

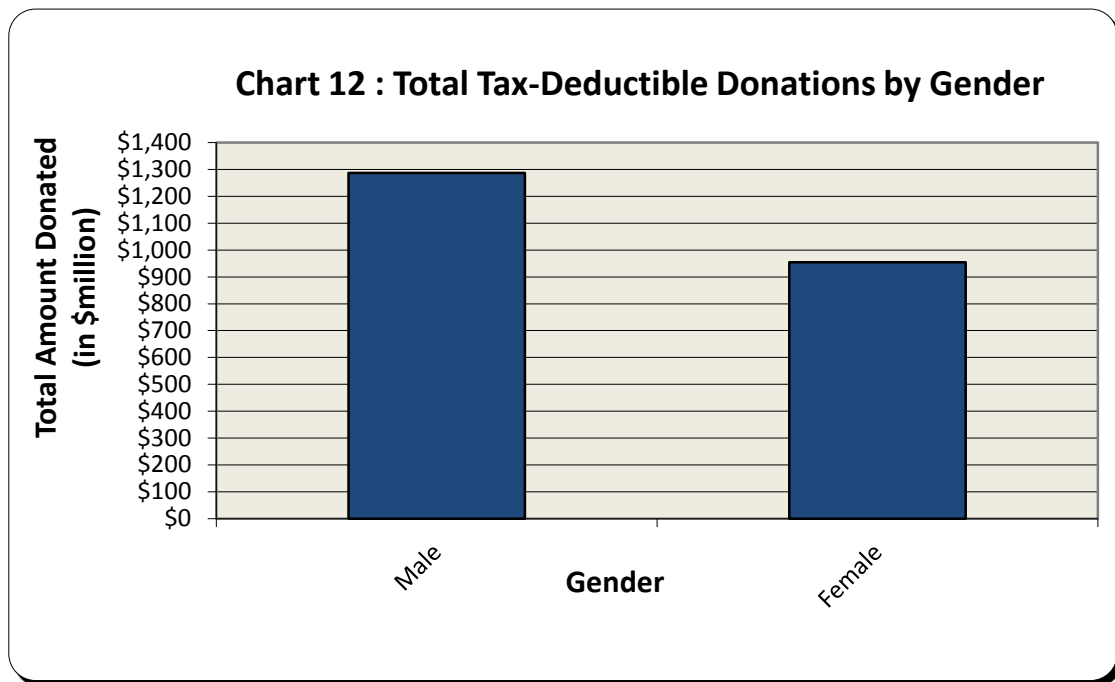


Chart 13: Percentage of Donating Taxpayers to Total Taxpayers by Gender reveals that in 2011-12, 34.15% of Australian male taxpayers and 37.21% of Australian female taxpayers made and claimed tax-deductible donations to DGRs. The combined average was 35.62%.

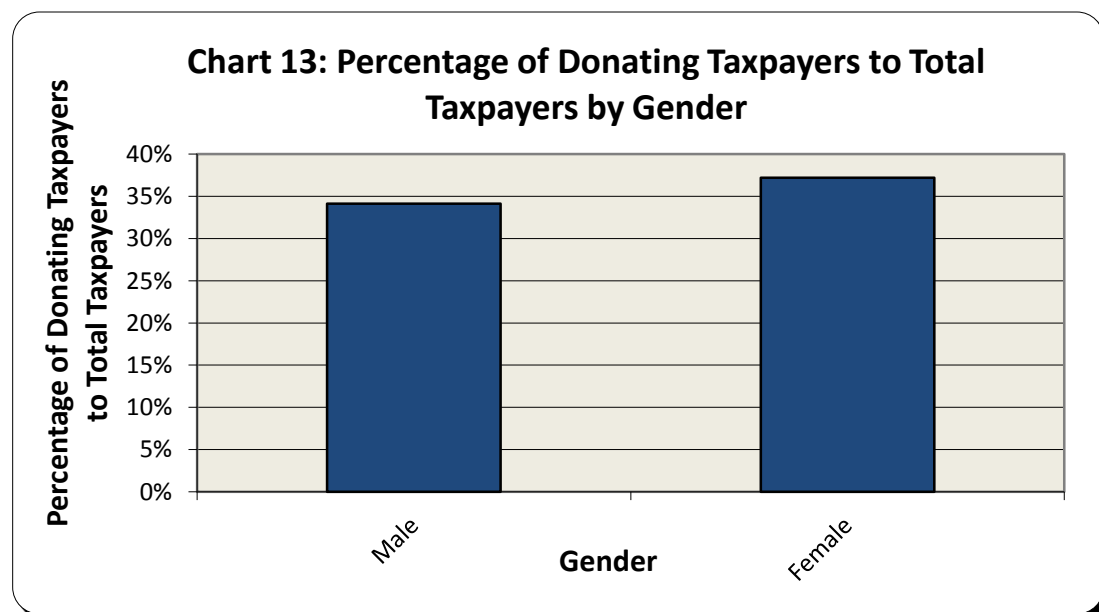


Chart 14: Average Tax-Deductible Donation by Gender reveals that the average tax-deductible donation made to DGRs and claimed in 2011-12 by Australian male taxpayers was \$568.83, while the average tax-deductible donation for Australian female taxpayers was \$419.97. These figures represent a 7.24% increase in the average donation claimed by males in 2010-10 (or \$38.40) and a 7.13% increase for females (or \$27.94).

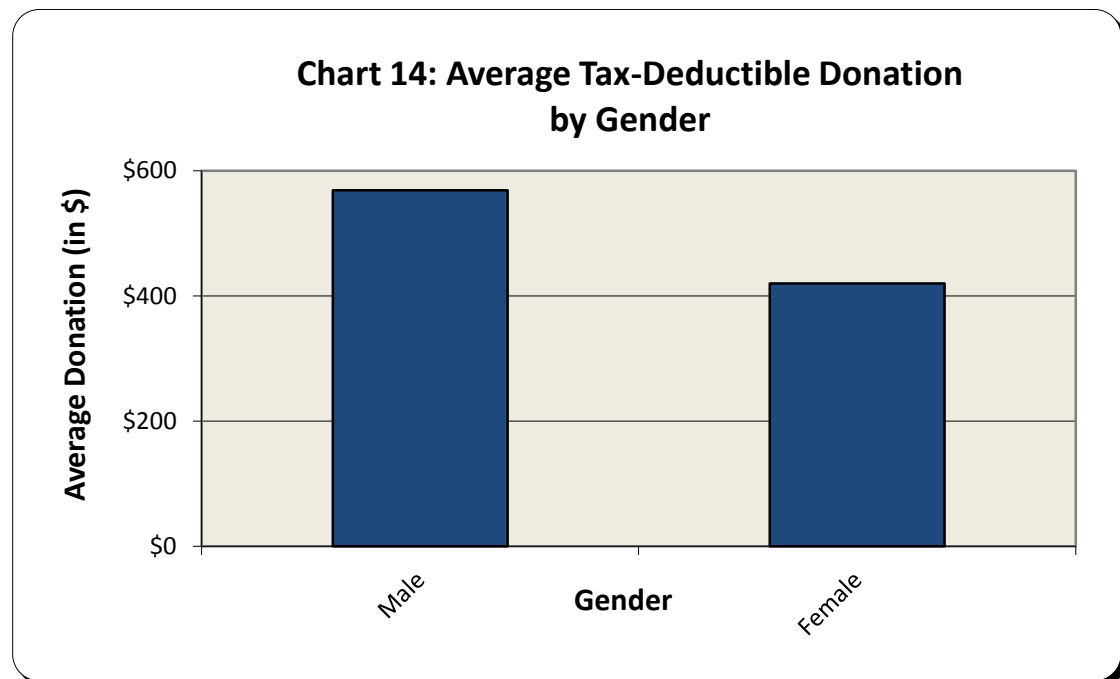
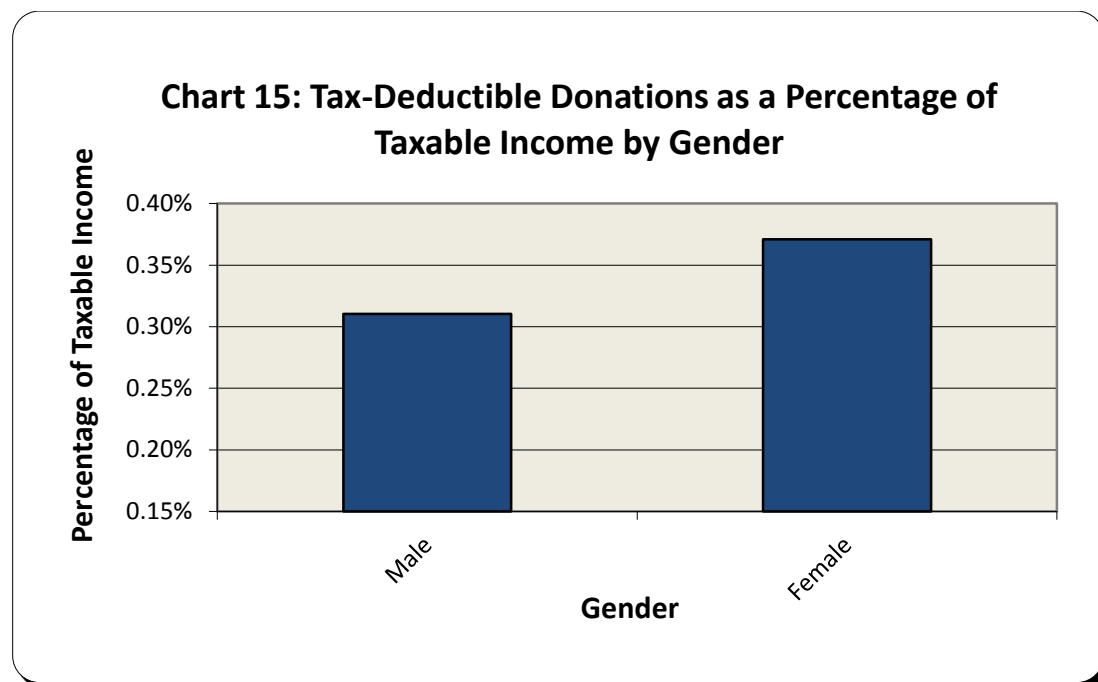


Chart 15 (overleaf): Tax-Deductible Donations as a Percentage of Taxable Income by Gender graphs the amount of tax-deductible donations made relative to the taxpayers' taxable income. The chart reveals that in 2011-12, on average, male Australian taxpayers who donated to DGRs claimed 0.31% of their taxable income in tax-deductible donations, while female taxpayers who made donations to DGRs claimed 0.37% of their taxable income.



For the second time the ATO has provided gift deduction data by age range and gender. The claimants aged 75 years and over continue to donate the largest portion of the nation total (9.88%) even though they account for only 3.33% of all taxpayers. The total value of gifts from this age group reached \$302.36 million with an average gift of \$1875.54. At the other end of the scale, the under 18 years group had 9,430 deductible gift claimants with an average gift of \$61.44, an increase from the 2010-11 year of 25.46% (where the average gift for this age group was \$48.97).

Chart 16 (overleaf): Average Tax-Deductible Donation by Age and Gender reveals that the average tax-deductible donation made to DGRs and claimed in 2011-12 by Australian male taxpayers and female taxpayers increases with age. This figure indicates that males aged 75 years and over had the highest average tax-deductible donation compared to all age brackets, followed by females aged 75 years and over.

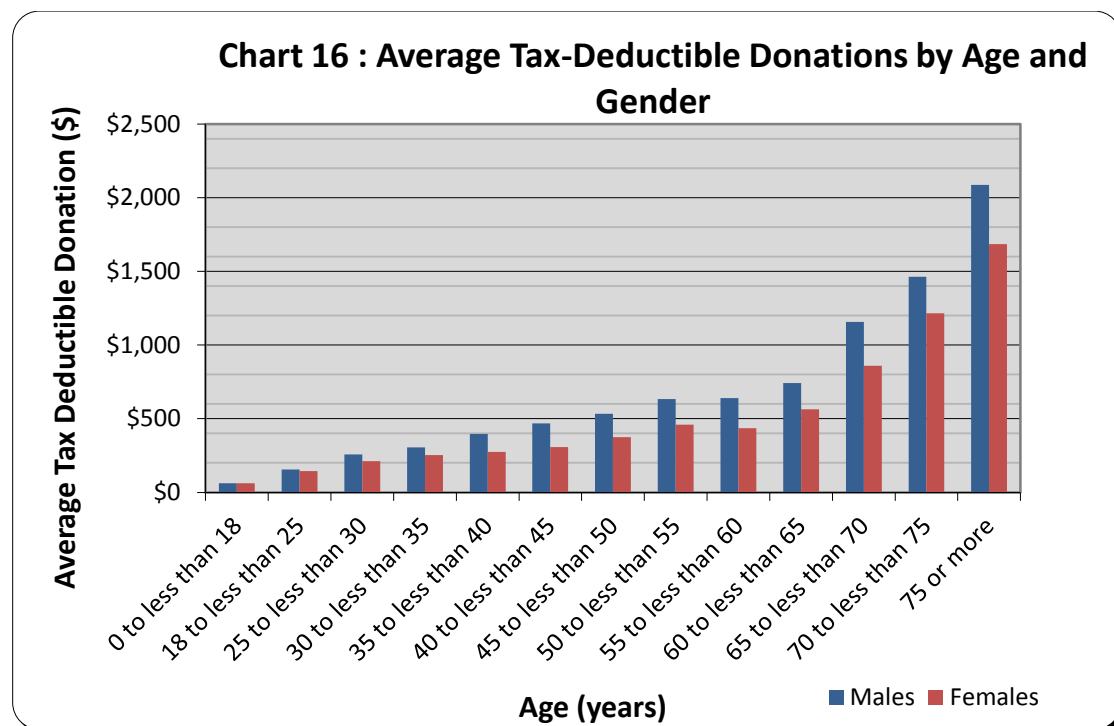


Chart 17: Total Tax-Deductible Donation by Age and Gender reveals that the total amount donated to DGRs and claimed in 2011-12 by Australian male and female taxpayers generally increases with age until the 50 to 54 years of age bracket where it then decreases until the age of 75 years and over where it increases considerably.

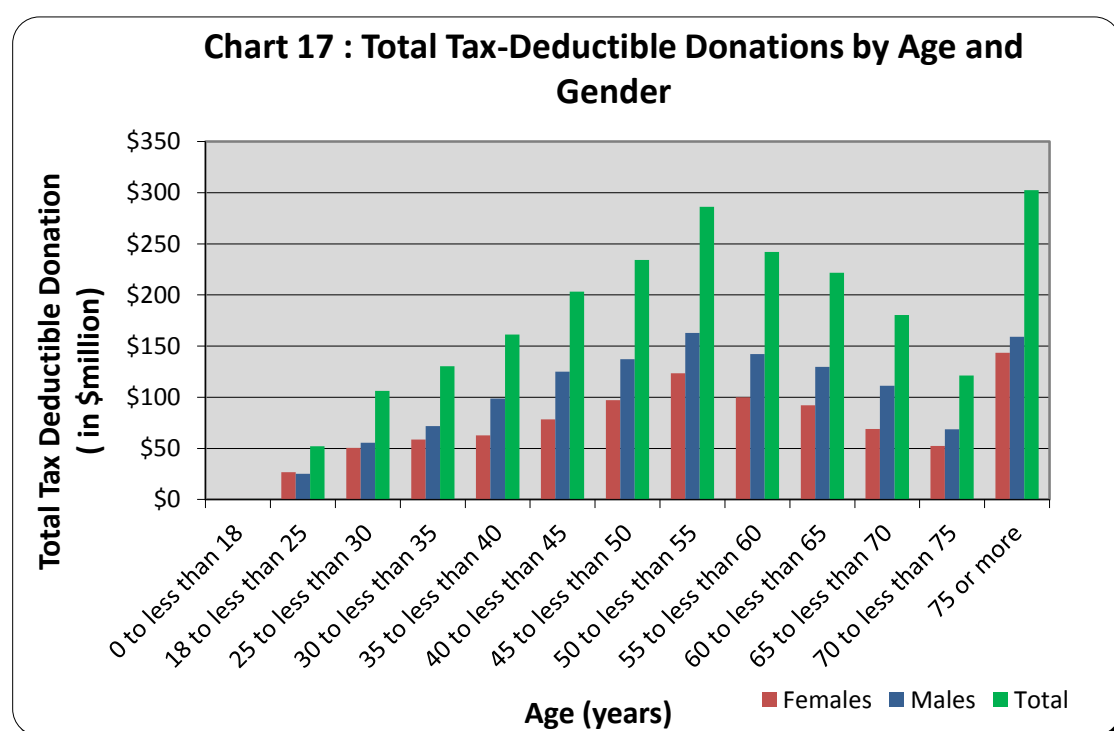
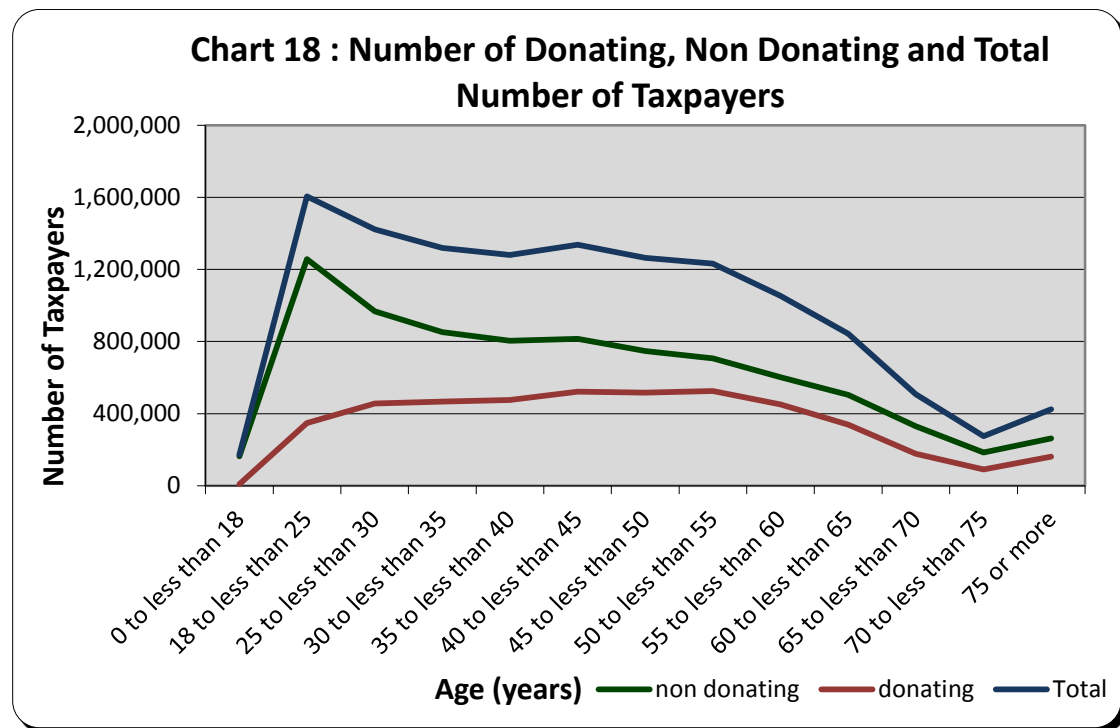


Chart 18: Number of Donating, Non Donating and Total Number of Taxpayers reveals that the number of taxpayers is highest in the 18 to 24 years age bracket. This age bracket also has the highest number of non donating taxpayers. The number of taxpayers gradually decreases with increasing age, although there are some fluctuations (small increases) in some age brackets.



3.2.1 Summary and Discussion

Based on the data extracted from Table 2 in the Appendix (forming the basis of Charts 12 to 18), our analysis reveals that there is little difference in the amount of tax-deductible giving between male and female Australian taxpayers.

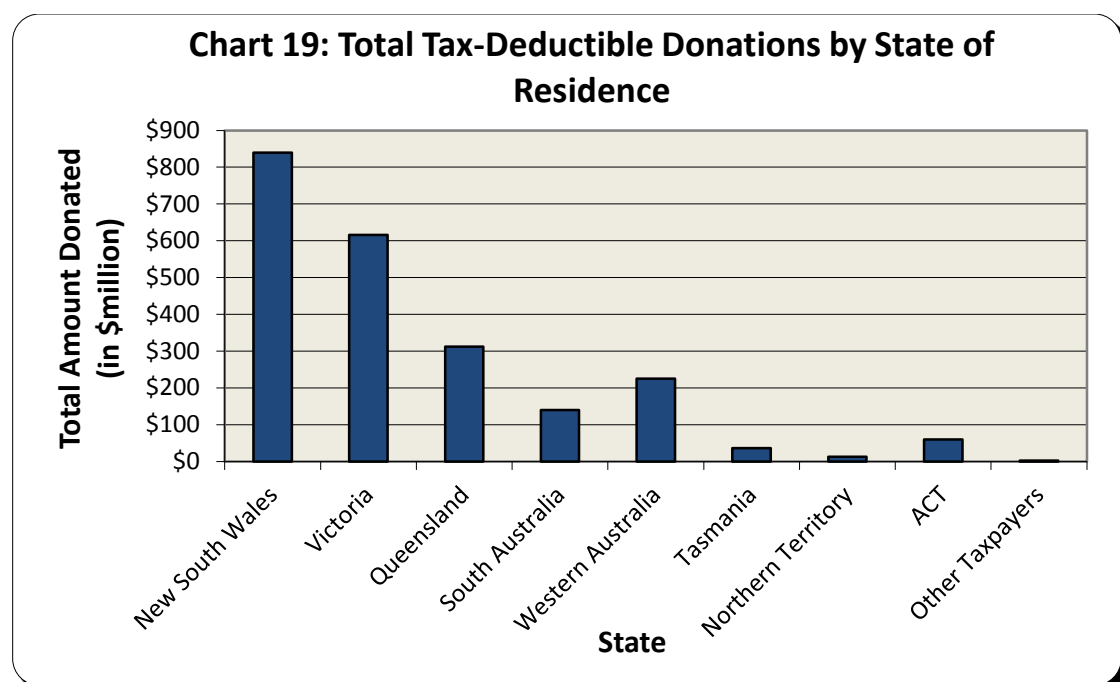
This year, female taxpayers made more donations than male taxpayers. However males still donated more in monetary terms (both in terms of total and average tax-deductible donations). When expressed as a percentage of their respective taxable incomes, females donated more to DGRs than males (0.37% for females and 0.31% for males).

In terms of donating taxpayers as a percentage of total taxpayers expressed by gender, more females claimed a tax-deductible donation (37.21%) compared to males (34.15%). The combined average was 35.62%.

3.3 Individual Taxpayer Donations by STATE OF RESIDENCE

Table 3 in the Appendix to this paper (which forms the basis of Charts 19 to 22) contains data relating to the amount of tax-deductible donations made to DGRs and claimed by individual Australian taxpayers in their 2011-12 income tax returns according to their state of residence¹⁶.

Chart 19: Total Tax-Deductible Donations by State of Residence reveals that in 2011-12, **New South Wales** taxpayers claimed the highest total value of tax-deductible donations to DGRs.

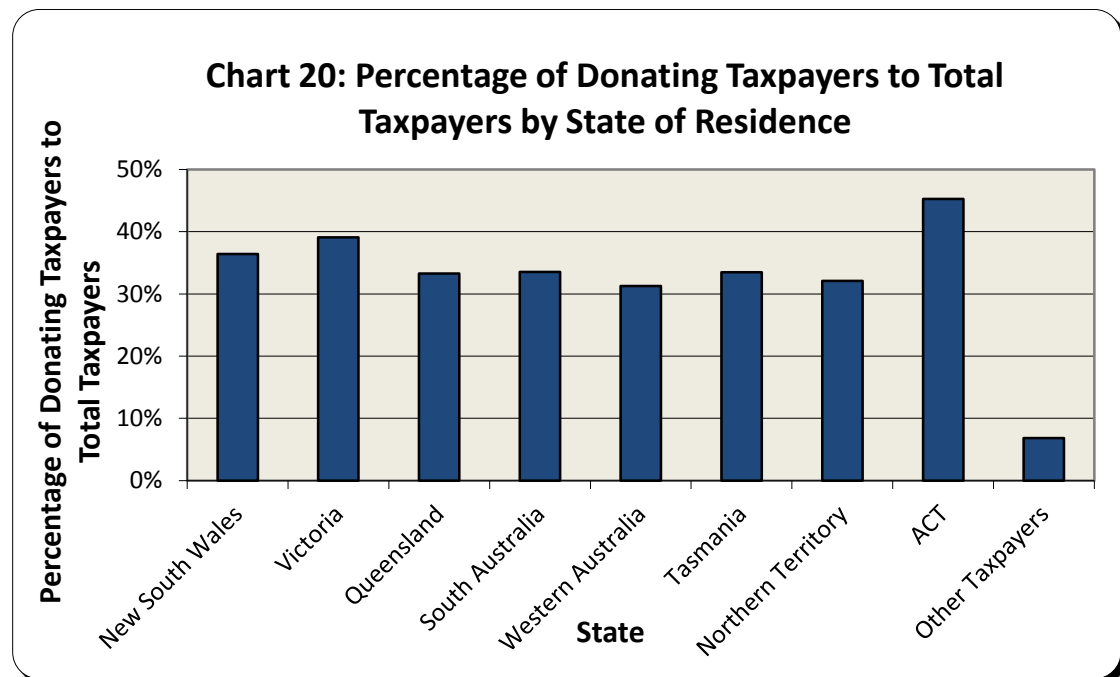


In 2011-12, a total of 1,459,825 taxpayers in New South Wales claimed tax-deductible donations to DGRs totalling \$839.56 million. This amount represented 37.45% of the national total. The next largest donor state was Victoria with 1,236,465 taxpayers claiming tax-deductible donations to DGRs of \$615.68 million, representing 27.46% of the national total.

Overall, 850,300 Queensland taxpayers donated a total of \$311.81 million (representing 13.91% of the national total). Together, these three states accounted for 78.81% of total tax-deductible donations made to DGRs in 2011-12.

¹⁶ "Other taxpayers" includes taxpayers who are living overseas, taxpayers who did not state their residential postcode on their return and taxpayers living in other grouped postcodes.

Chart 20: Percentage of Donating Taxpayers to Total Taxpayers by State of Residence reveals that 45.27% of total taxpayers in the **Australian Capital Territory** made and claimed tax-deductible donations to DGRs in 2011-12. In Victoria, 39.07% of taxpayers made and claimed tax-deductible donations to DGRs, followed by New South Wales with 36.42%. The national average was 35.62% (compared to 37.93% in 2010-11).



In terms of average tax-deductible donations per state, *Chart 21 (overleaf): Average Tax-Deductible Donation by State of Residence* reveals that in 2011-12, residents in **New South Wales** claimed the largest average tax-deductible donation to DGRs of \$575.11. This was then followed by the other taxpayers (\$560.66). Following this were Australian Capital Territory taxpayers with an average tax deductible donation of \$553.25 and Western Australian taxpayers (\$507.40). The national average for tax-deductible donations made to DGRs was \$494.25 (an increase from \$461.47 for the previous financial year).

**Chart 21: Average Tax-Deductible Donation
by State of Residence**

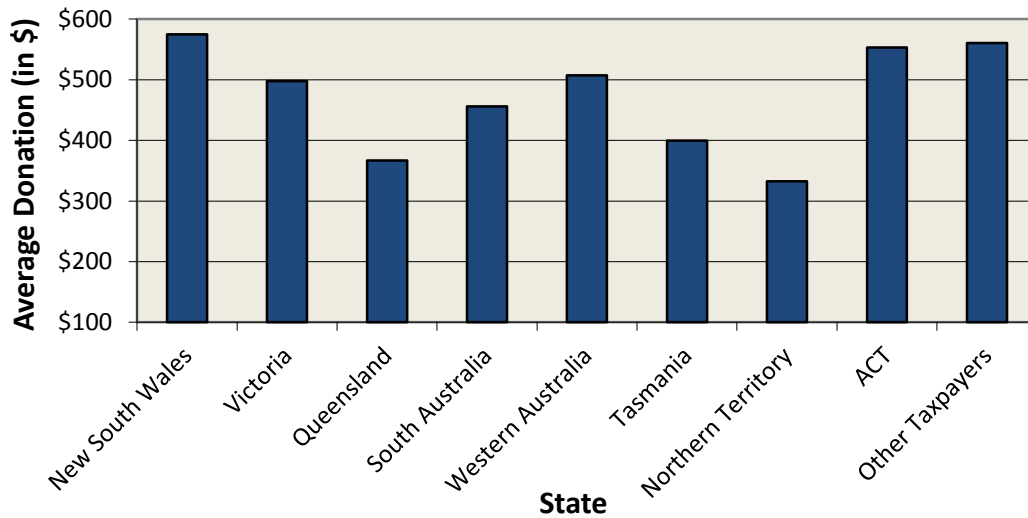


Chart 22: Tax-Deductible Donations as a Percentage of Taxable Income by State of Residence graphs the amount of the tax-deductible donations relative to the taxable income of taxpayers across each state.

**Chart 22: Tax-Deductible Donation as a Percentage of
Taxable Income by State of Residence**

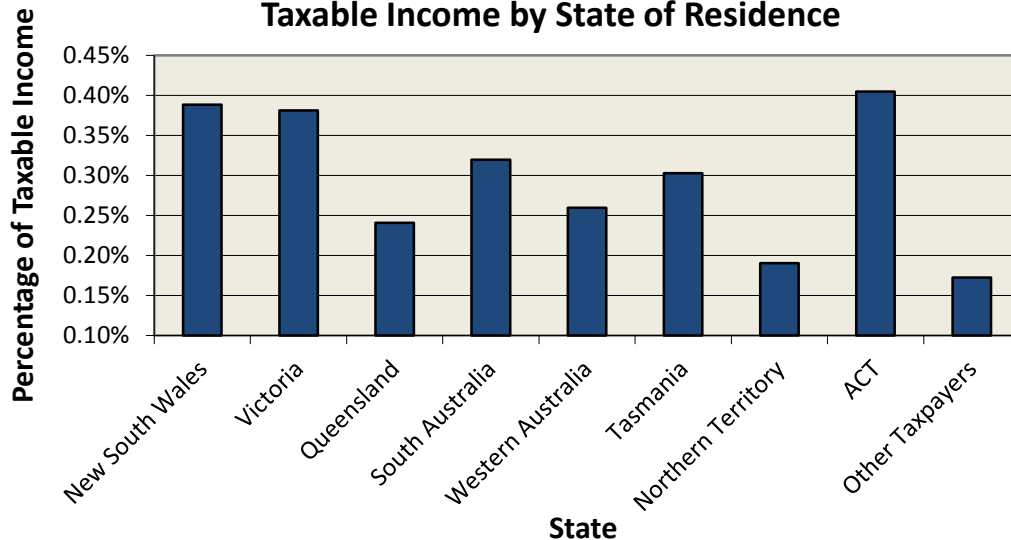


Chart 22 reveals that in 2011-12, taxpayers from the Australian Capital Territory donated approximately 0.40% of their taxable income to DGRs, compared to the national average of 0.33%. Taxpayers in New South Wales donated 0.39% of their taxable income followed by taxpayers in Victoria (donating an average of 0.38% of their income). Taxpayers in Queensland donated 0.24% of their income to DGRs.

3.3.1 Size of gifts claimed by state and territory

For the fourth time, the ATO has provided information on the number and value of gifts claimed by taxpayers in each state and territory. This provides an indication of the level of giving by dollar value across states and territories in 2011-12.

For example, Table 5 shows that in New South Wales there were 227,455 taxpayers who claimed deductible gifts under \$25 which accounted for \$3,528,777 of donations to DGRs. At the other end of the scale in New South Wales, there were 1,945 taxpayers who claimed gifts of more than \$25,000 amounting in total to \$245,339,775 in donations claimed.

Data on the number and value of gifts for states other than New South Wales is available via Tables 6 – 12.

Table 5: Number and value of gifts claimed by taxpayers in NEW SOUTH WALES 2011-12		
Value of the deductible gift (\$)	No. of gifting taxpayers	Total value of gifts (\$)
More than \$0 to \$25	227,455	3,528,777
More than \$25 to \$50	237,085	10,162,663
More than \$50 to \$250	516,580	67,410,654
More than \$250 to \$1,000	357,620	182,824,337
More than \$1,000 to \$5,000	105,260	202,056,910
More than \$5,000 to \$10,000	9,655	66,031,451
More than \$10,000 to \$25,000	4,225	62,646,883
More than \$25,000	1,945	245,339,775
Total	1,459,830	840,001,450

Table 6: Number and value of gifts claimed by taxpayers in VICTORIA 2011-12

Value of the deductible gift (\$)	No. of gifting taxpayers	Total value of gifts (\$)
More than \$0 to \$25	241,120	3,689,122
More than \$25 to \$50	239,540	10,338,873
More than \$50 to \$250	436,405	55,035,280
More than \$250 to \$1,000	242,025	123,463,332
More than \$1,000 to \$5,000	67,475	127,732,623
More than \$5,000 to \$10,000	5,875	40,009,889
More than \$10,000 to \$25,000	2,665	39,225,190
More than \$25,000	1,375	216,194,463
Total	1,236,480	615,688,772

Table 7: Number and value of gifts claimed by taxpayers in QUEENSLAND 2011-12

Value of the deductible gift (\$)	No. of gifting taxpayers	Total value of gifts (\$)
More than \$0 to \$25	200,415	2,938,301
More than \$25 to \$50	150,940	6,385,794
More than \$50 to \$250	275,235	35,076,953
More than \$250 to \$1,000	173,295	87,365,543
More than \$1,000 to \$5,000	44,940	84,726,875
More than \$5,000 to \$10,000	3,745	25,330,275
More than \$10,000 to \$25,000	1,305	18,952,749
More than \$25,000	455	51,040,328
Total	850,325	311,816,818

Table 8: Number and value of gifts claimed by taxpayers in SOUTH AUSTRALIA 2011-12		
Value of the deductible gift (\$)	No. of gifting taxpayers	Total value of gifts (\$)
More than \$0 to \$25	67,585	1,016,673
More than \$25 to \$50	56,255	2,345,042
More than \$50 to \$250	97,010	12,068,643
More than \$250 to \$1,000	66,045	33,675,485
More than \$1,000 to \$5,000	17,350	32,408,237
More than \$5,000 to \$10,000	1,375	9,347,805
More than \$10,000 to \$25,000	575	8,341,396
More than \$25,000	220	40,517,330
Total	306,415	139,720,611

Table 9: Number and value of gifts claimed by taxpayers in WESTERN AUSTRALIA 2011-12		
Value of the deductible gift (\$)	No. of gifting taxpayers	Total value of gifts (\$)
More than \$0 to \$25	90,745	1,383,617
More than \$25 to \$50	78,245	3,361,471
More than \$50 to \$250	144,080	18,608,935
More than \$250 to \$1,000	98,915	50,585,376
More than \$1,000 to \$5,000	27,200	51,070,087
More than \$5,000 to \$10,000	2,300	15,698,712
More than \$10,000 to \$25,000	960	13,605,817
More than \$25,000	345	70,364,053
Total	442,790	224,678,068

Table 10: Number and value of gifts claimed by taxpayers in TASMANIA 2011-12

Value of the deductible gift (\$)	No. of gifting taxpayers	Total value of gifts (\$)
More than \$0 to \$25	21,555	334,422
More than \$25 to \$50	17,100	718,265
More than \$50 to \$250	29,130	3,649,699
More than \$250 to \$1,000	17,775	9,065,817
More than \$1,000 to \$5,000	5,050	9,492,270
More than \$5,000 to \$10,000	445	2,968,352
More than \$10,000 to \$25,000	145	2,131,005
More than \$25,000	55	8,126,623
Total	91,260	36,486,453

Table 11: Number and value of gifts claimed by taxpayers in AUSTRALIAN CAPITAL TERRITORY 2011-12

Value of the deductible gift (\$)	No. of gifting taxpayers	Total value of gifts (\$)
More than \$0 to \$25	18,615	264,778
More than \$25 to \$50	14,330	607,552
More than \$50 to \$250	31,820	4,212,945
More than \$250 to \$1,000	30,765	16,163,947
More than \$1,000 to \$5,000	11,095	20,679,783
More than \$5,000 to \$10,000	735	4,955,435
More than \$10,000 to \$25,000	285	4,191,645
More than \$25,000	110	8,560,152
Total	107,760	59,636,237

Table 12: Number and value of gifts claimed by taxpayers in NORTHERN TERRITORY 2011-12		
Value of the deductible gift (\$)	No. of gifting taxpayers	Total value of gifts (\$)
More than \$0 to \$25	7,995	122,842
More than \$25 to \$50	7,045	310,632
More than \$50 to \$250	12,520	1,679,142
More than \$250 to \$1,000	8,605	4,367,703
More than \$1,000 to \$5,000	1,990	3,631,643
More than \$5,000 to \$10,000	150	994,378
More than \$10,000 to \$25,000	40	644,653
More than \$25,000	15	1,005,714
Total	38,365	12,756,707

3.3.2 Summary and Discussion

Based on the data extracted from Table 3 in the Appendix (comprising Charts 19 to 22 and Tables 5 to 12), our analysis reveals that New South Wales taxpayers made and claimed the largest amount of tax-deductible donations to DGRs in 2011-12. Taxpayers from this state also made the highest average tax-deductible donation to DGRs. Taxpayers residing in the Australian Capital Territory have in recent years had the highest percentage of taxpayers claiming a tax-deductible gift, and this was once again the case for 2011-12 with 45.27% claiming a tax-deductible donation. They also had the highest percentage of taxable income claimed as a tax deductible gift.

3.4 Individual Taxpayer Donations by STATE AND POSTCODE OF RESIDENCE

For the seventh year in a row, the ATO has provided information that allows us to drill down beyond state of residence to examine the postcode of residence for taxpayers who claimed a tax-deductible gift in 2011-12. A search tool for all Australian postcodes which will retrieve all the relevant deductible gift data for the years 2005-06 to 2011-12 is available from the ACPNS website: <http://www.qut.edu.au/business/about/research-centres/australian-centre-for-philanthropy-and-nonprofit-studies/publications-and-resources/giving-by-postcode>

Tables 5 and 6 in the Appendix (which form the basis for Tables 13 to 16 in this working paper) list the top five postcodes in each state by highest total claimed gifts and highest average claimed gift.¹⁷ There appears to be a relationship between the wealth of the taxpayers in each postcode and the total of the postcode's total tax deductible gifts claimed. Table 13 lists the postcode in each state with the highest total of gifts claimed. Again, many locations are inner CBD pockets of wealth in capital cities.

¹⁷ Groups which include miscellaneous data including unknown/invalid postcodes and postcodes with less than 50 taxpayers were excluded as they do not refer to a specific postcode or region.

Table 13: Highest TOTAL Gifts Claimed by Taxpayers 2011-12 by POSTCODE for each State

State & Postcode		Places within Postcode	Total Gifts Claimed (\$)
NSW	2030	Dover Heights, HMAS Watson, Rose Bay North, Vaucluse, Watsons Bay	27,318,621
VIC	3142	Hawkesburn, Toorak	30,216,306
QLD	4350	Athol, Blue Mountain Heights, Centenary Heights, Charlton, Clifford Gardens, Cotsworld Hills, Cranley, Darling Heights, Drayton, Drayton North, East Toowoomba, Finnie, Glenvale, Gowrie Mountain, Harlaxton, Harristown, Kearneys Spring, Middle Ridge, Mount Kynoch, Mount Lofty, Mount Rascal, Newtown, North Toowoomba, Northlands, Prince Henry Heights, Rangeville, Redwood, Rockville, South Toowoomba, Southtown, Toowoomba, Toowoomba BC, Toowoomba City, Toowoomba DC, Toowoomba East, Toowoomba South, Toowoomba Village Fair, Toowoomba West, Top Camp, Torrington, Wellcamp, Westbrook, Wilsonton, Wilsonton Heights, Wyalla Plaza	7,294,468
SA	5067	Beulah Park, Kent Town, Norwood, Norwood South, Rose Park	11,270,546
WA	6011	Cottesloe, Peppermint Grove	43,778,673
TAS	7250	Blackstone Heights, East Launceston, Launceston, Newstead, Norwood, Prospect, Prospect Vale, Ravenswood, Riverside, St Leonards, Summerhill, Travellers Rest, Trevallyn, Waverley, West Launceston	6,069,000
NT	0810	Alawa, Brinkin, Casuarina, Coconut Grove, Jingili, Lee Point, Lyons, Millner, Moil, Muirhead, Nakara, Nightcliff, Rapid Creek, Tiwi, Wagaman, Wanguri	2,239,250
ACT	2602	Ainslie, Dickson, Downer, Hackett, Lyneham, O'Connor, Watson	6,308,483

The postcode with the highest total gifts claimed in 2011-12 was **WA 6011 (Cottesloe, Peppermint Grove)** where \$43,778,673 was claimed in total. In **NSW 2030** which includes the postal delivery locations of **Dover Heights, HMAS Watson, Rose Bay North, Vaucluse, Watsons Bay** recorded \$27,313,621 in total gifts claimed. The Victorian postcode **3142 (Hawkesburn, Toorak)** reclaimed the number one postcode in terms of highest total gifts in the state, a position it has claimed in Victoria every year except last year (3134, South Yarra) since postcode data was recorded.

The states of New South Wales, Victoria, Queensland, South Australia, and Western Australia have seen shifts in the postcode that claimed the highest total of tax deductible donations to DGRs between 2009-10 to 2011-12.

Table 14 shows the changes that have occurred between 2009-10 and 2011-12 in total amount donated. The postcodes in Tasmania, Northern Territory, and Australian Capital Territory have remained constant across the three financial years in terms of highest total gifts claimed, while postcodes in New South Wales, Queensland, and South Australia have changed every year. Victoria and Western Australia had a shift in 2010-11 but in 2011-12 returned to the 2009-10 postcodes.

Table 14: Highest TOTAL Gifts Claimed by Taxpayers by POSTCODE for each State 2009-10 and 2010-11, and 2011-12

	2009-10	2010-11	2011-12
NSW	2095 Manly, Manly East	2027 Darling Point, Edgecliff, HMAS Rushcutters, Point Piper	2030 Dover Heights, HMAS Watson, Rose Bay North, Vaucluse, Watsons Bay
VIC	3142 Hawkesburn, Toorak	3141 South Yarra	3142 Hawkesburn, Toorak
QLD	4075 Corinda, Graceville, Graceville East, Oxley, Sherwood	4217 Benowa, Bundall, Bundall BC, Chevron Island, Gold Coast MC, Isle of Capri, Main Beach, Surfers Paradise	4350 Athol, Blue Mountain Heights, Centenary Heights, Charlton, Clifford Gardens, Cotsworld Hills, Cranley, Darling Heights, Drayton, Drayton North, East Toowoomba, Finnie, Glenvale, Gowrie Mountain, Harlaxton, Harristown, Kearneys Spring, Middle Ridge, Mount Kynoch, Mount Lofty, Mount Rascal, Newtown, North Toowoomba, Northlands, Prince Henry Heights, Rangeville, Redwood, Rockville, South Toowoomba, Southtown, Toowoomba, Toowoomba BC, Toowoomba City, Toowoomba DC, Toowoomba East, Toowoomba South, Toowoomba Village Fair, Toowoomba West, Top Camp, Torrington, Wellcamp, Westbrook, Wilsonton, Wilsonton Heights, Wyalla Plaza
SA	5066 Beaumont, Burnside, Erindale, Hazelwood Park, Stonyfell, Waterfall Gully, Wattle Park	5006 North Adelaide, North Adelaide Melbourne St	5067 Beulah Park, Kent Town, Norwood, Norwood South, Rose Park

Table 14: Highest TOTAL Gifts Claimed by Taxpayers by POSTCODE for each State 2009-10 and 2010-11, and 2011-12

WA	6011 Cottesloe, Peppermint Grove	6050 Coolbinia, Menora, Mount Lawley	6011 Cottesloe, Peppermint Grove
TAS	7250 Blackstone Heights, East Launceston, Launceston, Newstead, Norwood, Prospect, Prospect Vale, Ravenswood, Riverside, St Leonards, Summerhill, Travellers Rest, Trevallyn, Waverley, West Launceston	7250 Blackstone Heights, East Launceston, Launceston, Newstead, Norwood, Prospect, Prospect Vale, Ravenswood, Riverside, St Leonards, Summerhill, Travellers Rest, Trevallyn, Waverley, West Launceston	7250 Blackstone Heights, East Launceston, Launceston, Newstead, Norwood, Prospect, Prospect Vale, Ravenswood, Riverside, St Leonards, Summerhill, Travellers Rest, Trevallyn, Waverley, West Launceston
NT	0810 Akawam Brinkin, Casuarina, Coconut Grove, Jingili, Lee Point, Lyons, Millner, Moil, Muirhead, Nakara, Nightcliff, Rapid Creed, Tiwi, Wagaman, Wanguri	0810 Akawam Brinkin, Casuarina, Coconut Grove, Jingili, Lee Point, Lyons, Millner, Moil, Muirhead, Nakara, Nightcliff, Rapid Creed, Tiwi, Wagaman, Wanguri	0810 Akawam Brinkin, Casuarina, Coconut Grove, Jingili, Lee Point, Lyons, Millner, Moil, Muirhead, Nakara, Nightcliff, Rapid Creed, Tiwi, Wagaman, Wanguri
ACT	2602 Ainslie, Dickson, Downer, Hackett, Lyneham, O'Connor, Watson	2602 Ainslie, Dickson, Downer, Hackett, Lyneham, O'Connor, Watson	2602 Ainslie, Dickson, Downer, Hackett, Lyneham, O'Connor, Watson

Table 15 (overleaf) identifies the postcode in each state whose taxpayers had the largest average claimed deductible gift. Again, a clear link can be made in most cases to postcodes which one would expect to contain significant numbers of wealthy taxpayers. As with last financial year, only one postcode claimed highest total gifts claimed and highest average gifts claimed. This year **WA 6011** took out the highest rankings in these categories for the state, whereas last year, NSW 2027 claimed both. This year NSW 2027 was not top in either category for the state.

Apart from Victoria which saw a decrease after the dramatic increase of \$29,021 from 2009-10 to 2010-11, the highest average gift increased in all states. **Western Australia 6011 (Cottesloe, Peppermint Grove)** recorded the largest average gift of \$19,587.77. The highest average gift in New South Wales saw movement with **NSW 1560 (Northbridge)** recording an average gift of \$14,528.33 taking over from 2027 which held the title for the two previous years.

In Victoria, **VIC 3944 (Portsea)** reclaimed the highest average gift recorded after losing it to 3441 (Mount Macedon) last year. After five years, SA 5354 (Bakara, Bakara Well, Fisher, Greenways Landing, Naidia, Swan Reach) has been surpassed in South Australia by **5071 (Kent Town DC)** with an average gift of \$11,356.16 compared to \$4,225.60 held by 5354 in 2010-11. Tasmania also saw a dramatic increase with **TAS 7001 (Hobart)** averaging \$11,603.21 (compared with 7210 which took out the title in 2010-11 with an average gift of \$1,532.81).

Table 15: Highest AVERAGE Gifts Claimed by Taxpayers 2011-12 by POSTCODE for each State

State & Postcode		Places within Postcode	Average Gift per Gifting Taxpayer (\$)
NSW	1560	Northbridge	14,528.33
VIC	3944	Portsea	11,407.55
QLD	4067	St Lucia, St Lucia South	4,192.63
SA	5071	Kent Town DC	11,356.16
WA	6011	Cottesloe, Peppermint Grove	19,587.77
TAS	7001	Hobart	11,603.21
NT	0880	Gapuwiyak, Guyangara, Nhulunbuy, Yirrkala	685.38
ACT	2603	Forrest, Griffith, Manuka, Red Hill	1,174.81

Table 16 indicates the postcode in each state with the greatest participation rate by all taxpayers in that postcode. This does not appear to be obviously related to wealth of taxpayers. The postcode with the highest percentage rate (**Port Franklin** in **Victoria** with 61.54% of taxpayers claiming a gift) is a small fishing town southeast of Melbourne with its average taxable income below the state average. The postcodes with the highest participation rates have changed in all states from the previous year except Western Australia where **6753 (Newman)** has continued to top the list although participation has dropped slightly (49.38% in 2011-12 compared to 50.73% in 2010-11).

Table 16: Highest PERCENTAGE of Taxpayers Claiming a Gift 2011-12 by POSTCODE for each State

State & Postcode		Places within Postcode	% of Taxpayers claiming a gift
NSW	2700	Bundure, Colinroobie, Corobimilla, Cudgel, Euroley, Gillenbah, Morundah, Narrandera, Sandigo	51.35%
VIC	3964	Port Franklin	61.54%
QLD	4029	Royal Brisbane Hospital	46.67%
SA	5472	Georgetown	50.00%
WA	6753	Newman	49.38%
TAS	7467	Lake Margaret, Queenstown	45.74%
NT	0813	Karama	46.34%
ACT	2608	Civic Square	54.17%

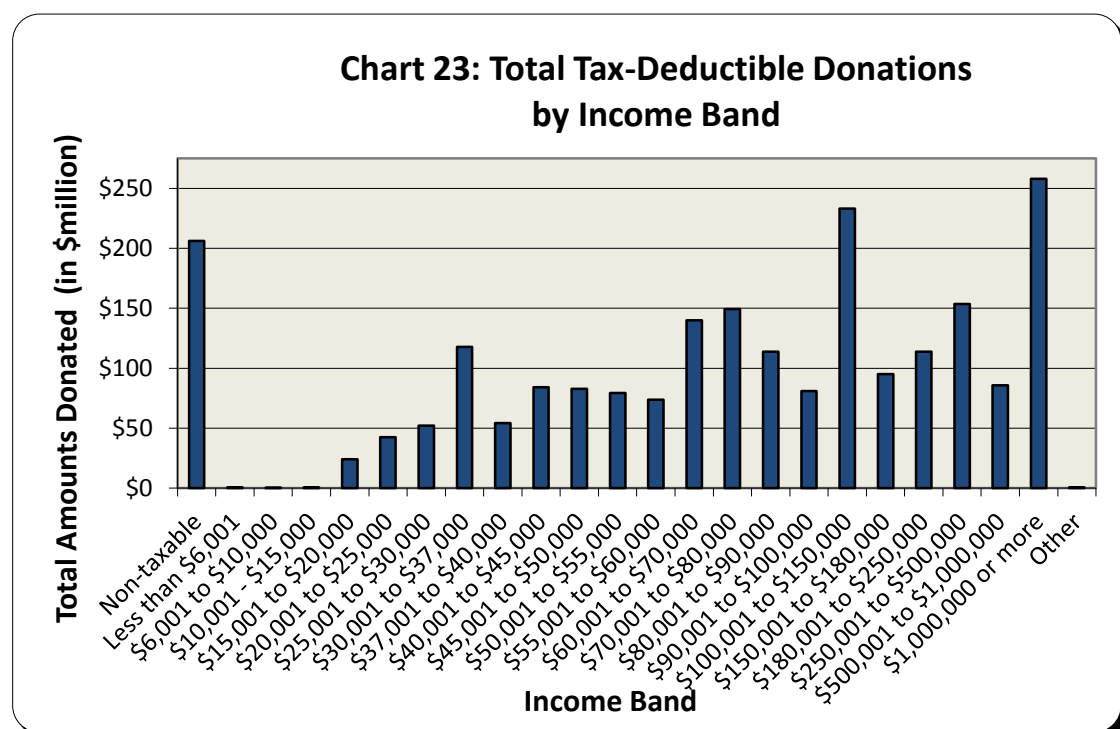
3.4.1 Summary and Discussion

Based on the data extracted from Tables 5 and 6 in the Appendix (comprising tables 13-16), our analysis reveals that the Western Australian Postcode of **WA 6011 (Cottesloe, Peppermint Grove)** claimed the largest amount of tax-deductible gifts in 2011-12 (\$43,778,673). This same postcode also had the highest average gift claimed. The Victorian postcode of **VIC 3964 (Port Franklin)** however had the greatest percentage of taxpayers making and claiming a tax-deductible gift in 2011-12, followed by the Australian Capital Territory postcode of **ACT 2608 (Civic Square)**.

3.5 Individual Taxpayer Donations by INCOME BAND

Table 4 in the Appendix to this paper (which forms the basis of Charts 23 to 26) contains data relating to the amount of tax-deductible donations made to DGRs and claimed by individual Australian taxpayers in their **2011-12** income tax returns, according to income bands.

Chart 23: Total Tax-Deductible Donations by Income Band reveals that in 2011-12 total tax-deductible donations made to DGRs and claimed by individual taxpayers earning over \$1,000,000 per year was \$258.08 million, an increase compared to \$227.60 million in 2010-11 and \$119.41 million in 2009-10, but still well below the amount claimed in this bracket in 2007-8 (\$511.69). Giving by taxpayers in this income band represented 11.51% of the total gifts claimed in 2011-12.



Individual Australian taxpayers with a taxable income between \$100,001 and \$150,000 claimed \$233.18 million in tax-deductible gifts, representing the second highest percentage (10.40%) of the total tax-deductible donations made and claimed in 2011-12. Rounding out the top 3 was individual taxpayers with non-taxable income. They claimed \$206.20 million in tax-deductible gifts. This represented 9.20% of the total tax-deductible donations made and claimed by individual Australian taxpayers in that year.

Chart 24: Percentage of Donating Taxpayers to Total Taxpayers by Income Band shows the percentage of individual taxpayers who made and claimed tax-deductible donations to total taxpayers, by income band in 2011-12. The figures reveal that there is a fairly smooth increasing trend from lower to higher income bands; 5.10% of claiming taxpayers in the less than \$6,001 income band compared to 61.66% for those with over \$1 million in taxable income. Only the \$150,000 to \$180,000 income band showed a slight decrease in percentage of donating taxpayers to total taxpayers than the previous income band (51.11% compared to 51.47% in the previous band).

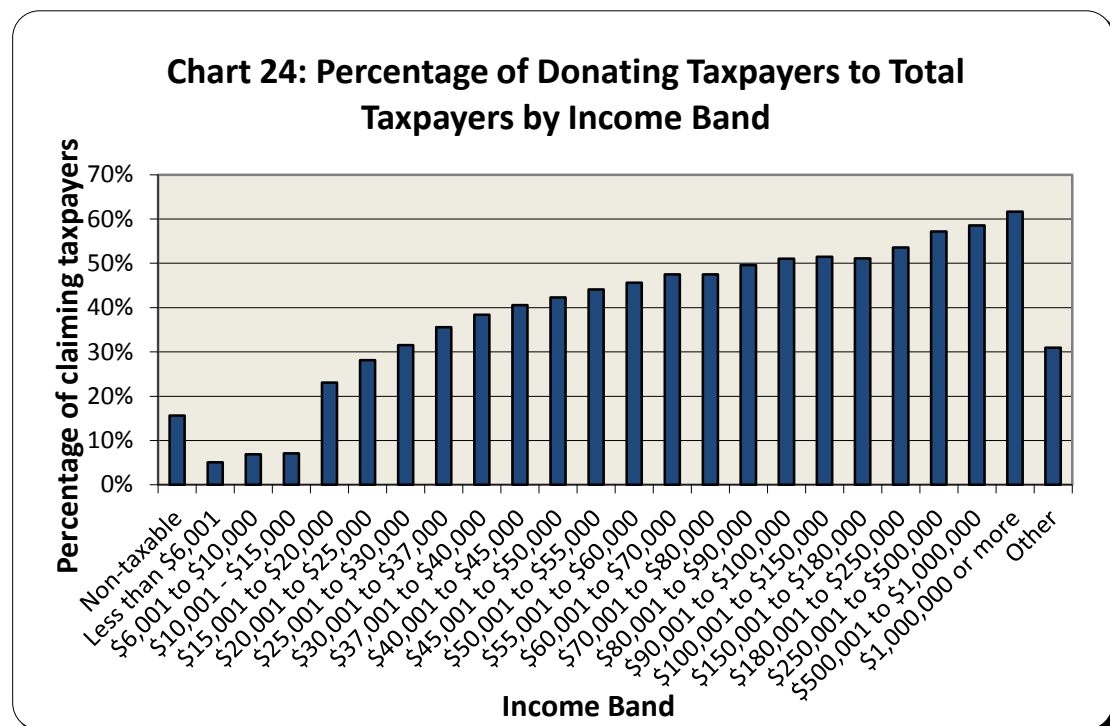


Chart 25: Average Tax Deductible Donation by Income Band shows, in general terms, the more one earns, the more one claims as a tax deductible donation. Whilst the average tax-deductible donation was \$494.25 in 2011-12, donating taxpayers with a taxable income over \$1 million per year claimed an average of \$49,678.88 in tax deductible donations (compared to the 2010-11 figure of \$40,606.60 and the 2009-10 figure of \$27,451.27. Interestingly, the average tax-deductible donation made and claimed by taxpayers in the less than \$6,001 income band was above the national average at \$513.51.

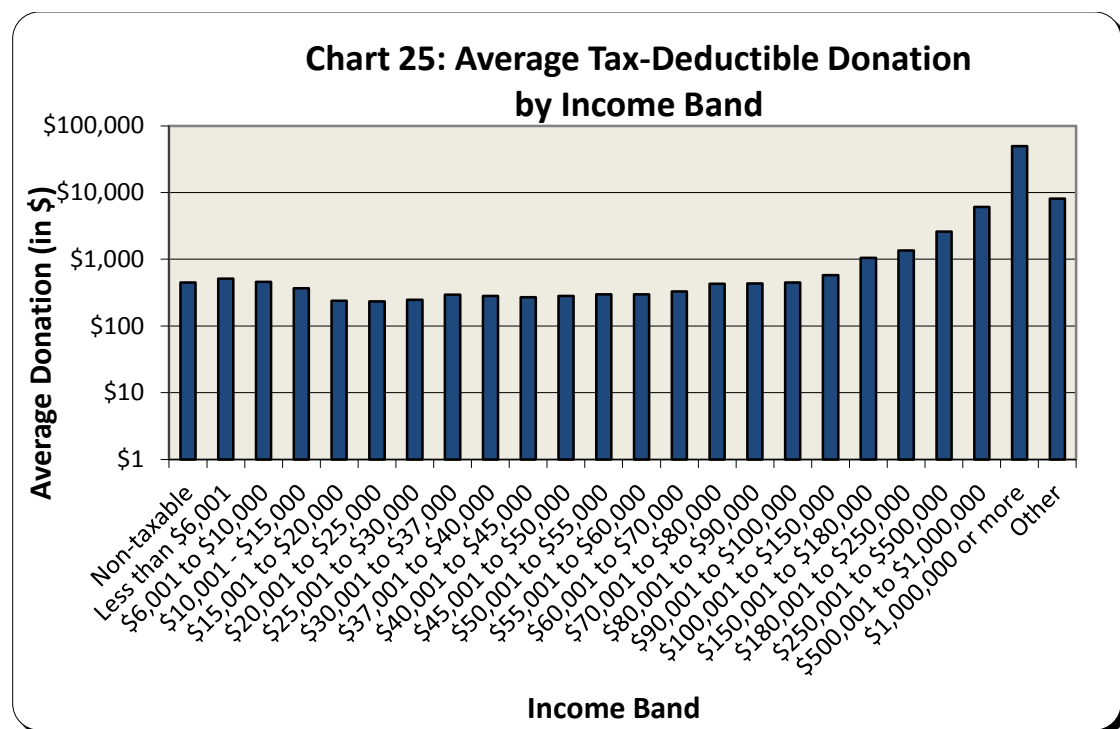
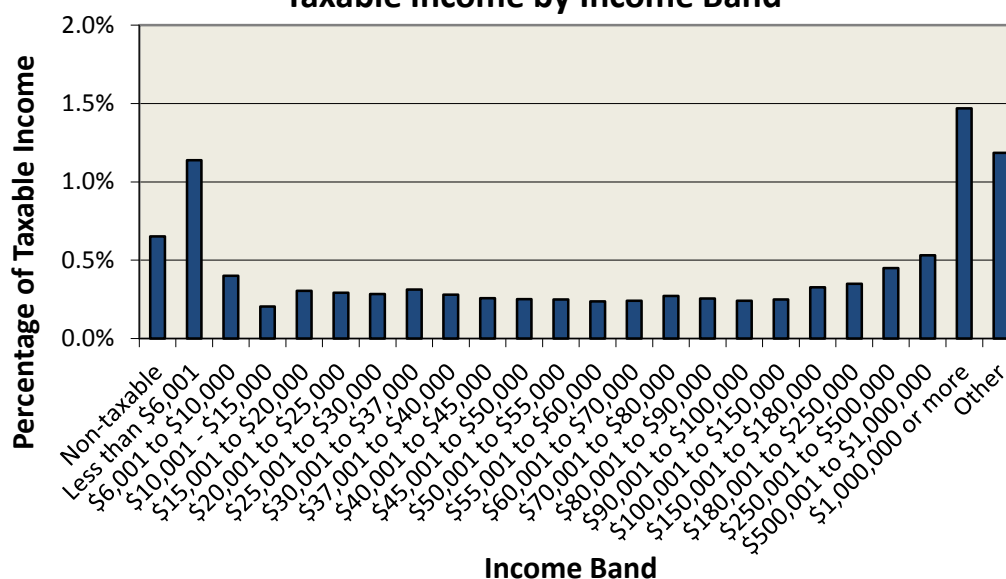


Chart 26 (overleaf): Tax-Deductible Donations as a Percentage of Taxable Income by Income Band graphs the amount of tax-deductible donations relative to the taxable incomes of donating taxpayers across each income band. Taxpayers in the \$1 million plus income band donated the highest percentage of their income 1.47% followed by taxpayers earning less than \$6,001, who donated 1.14% of their taxable income.

Chart 26: Tax-Deductible Donations as a Percentage of Taxable Income by Income Band



3.5.1 Summary and discussion

Based on the data extracted from Table 4 in the Appendix (forming the basis of Charts 23 to 26), 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.

A total of 5,195 taxpayers with taxable incomes of more than \$1 million claimed tax-deductible donations to DGRs in 2011-12 totalling \$258.08 million. This represented 11.51% of all tax-deductible donations in 2011-12.

However, for taxpayers with a taxable income less than \$6,001, the average claimed gift was \$513.51, with 5.10% of taxpayers in this income band claiming a gift. Taxpayers in this income band donated 1.14% of their taxable income.

3.6 Taxpayer Donations by INDUSTRY CLASSIFICATION

Table 7 in the Appendix to this paper (which forms the basis of Charts 27 to 30) 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 2010-11 income tax return according to their Australian New Zealand Standard Industry Classification (ANZSIC).

In the 2011-12 individual income tax return, an individual carrying on a business as a sole trader was 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".

Chart 27 shows the *Total Tax-Deductible Donations by Industry*. In 2011-12, 90,390 sole business taxpayers in the health care and social assistance industry claimed the highest tax-deductible donations to DGRs totalling \$44.82 million. In second place was the agriculture, forestry and fishing industry where donations totalled \$42.58 million. Electricity, Gas, Water and Waste Services, Mining, and Public Administration and Safety were once again the smallest contributors in absolute terms.

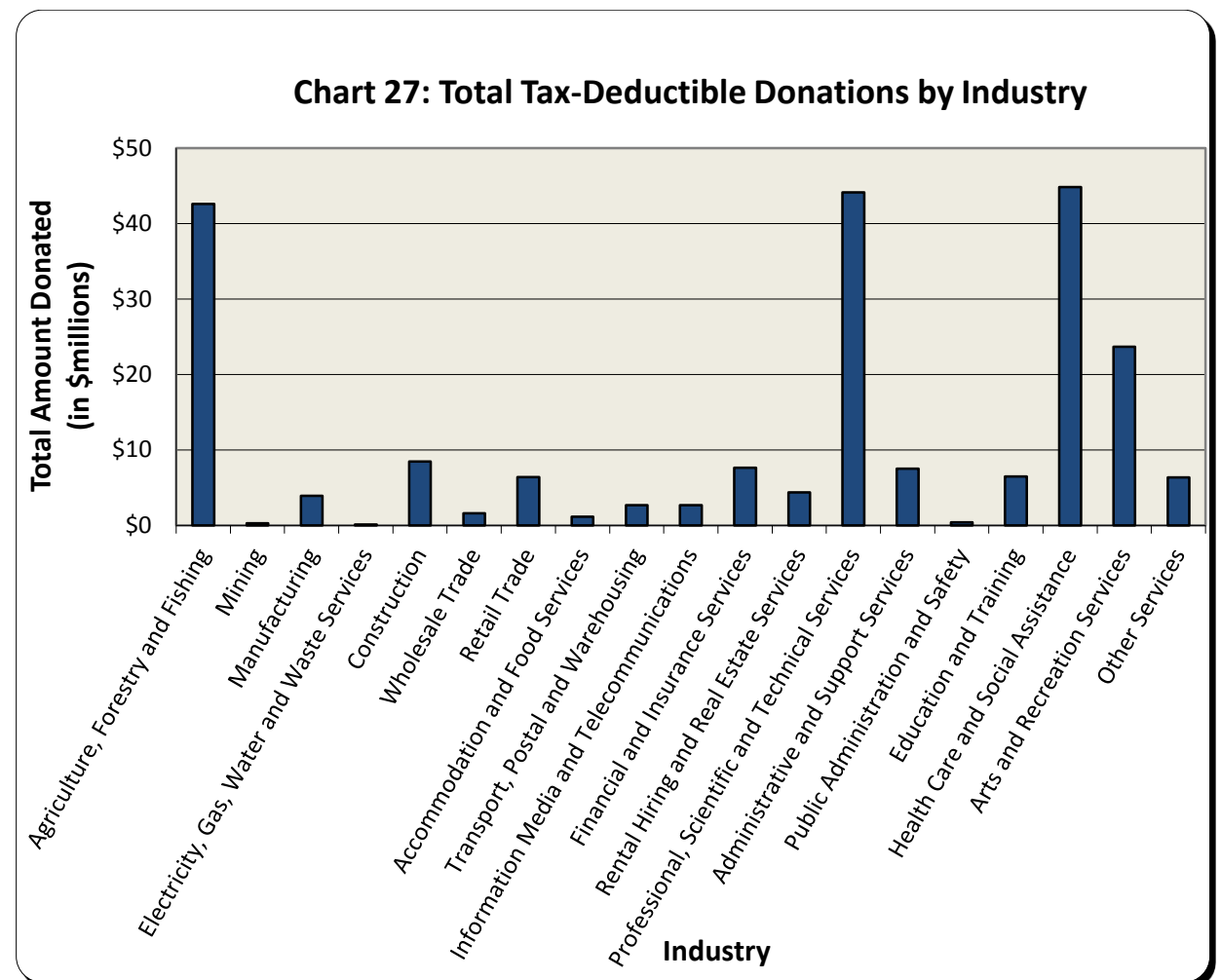
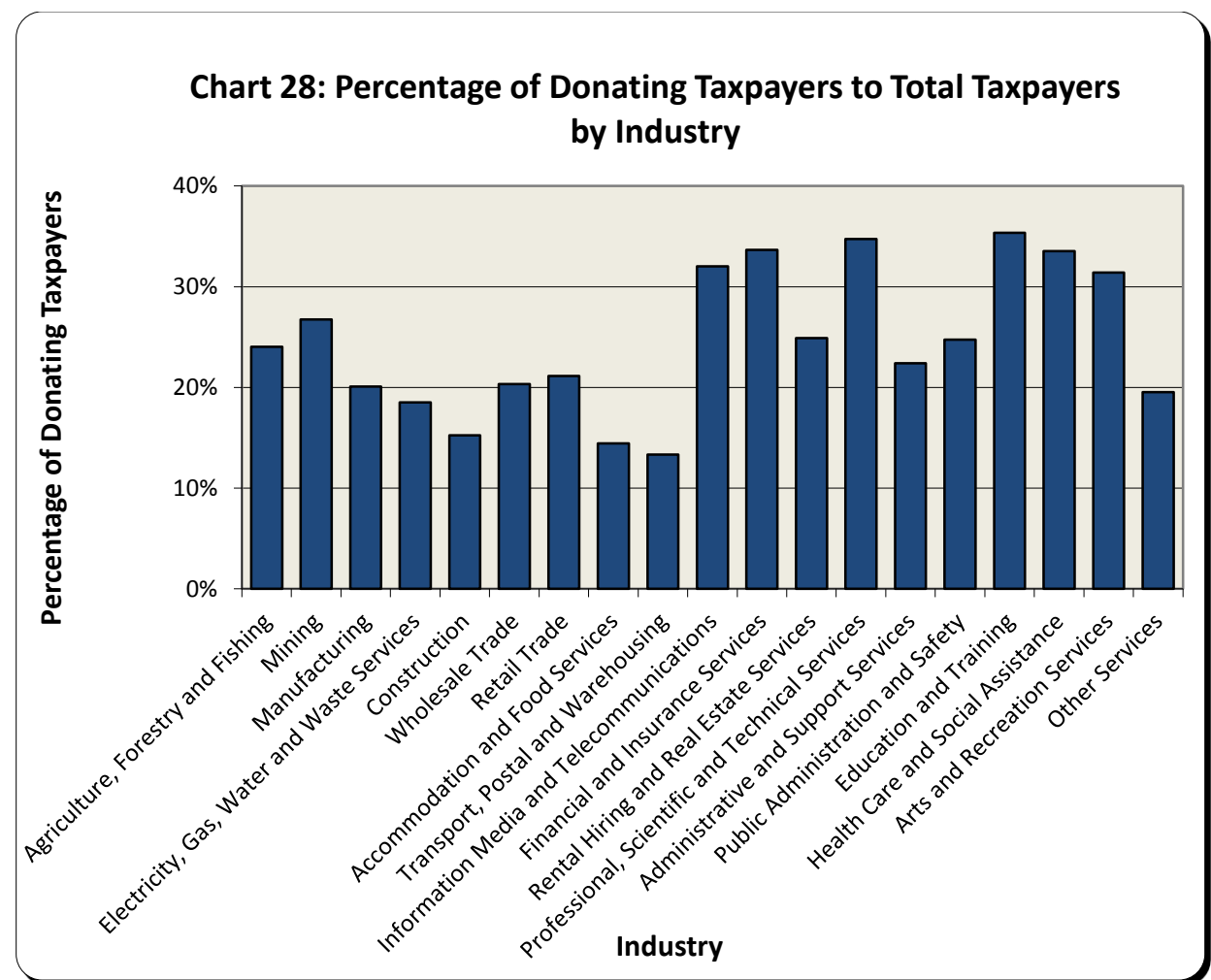
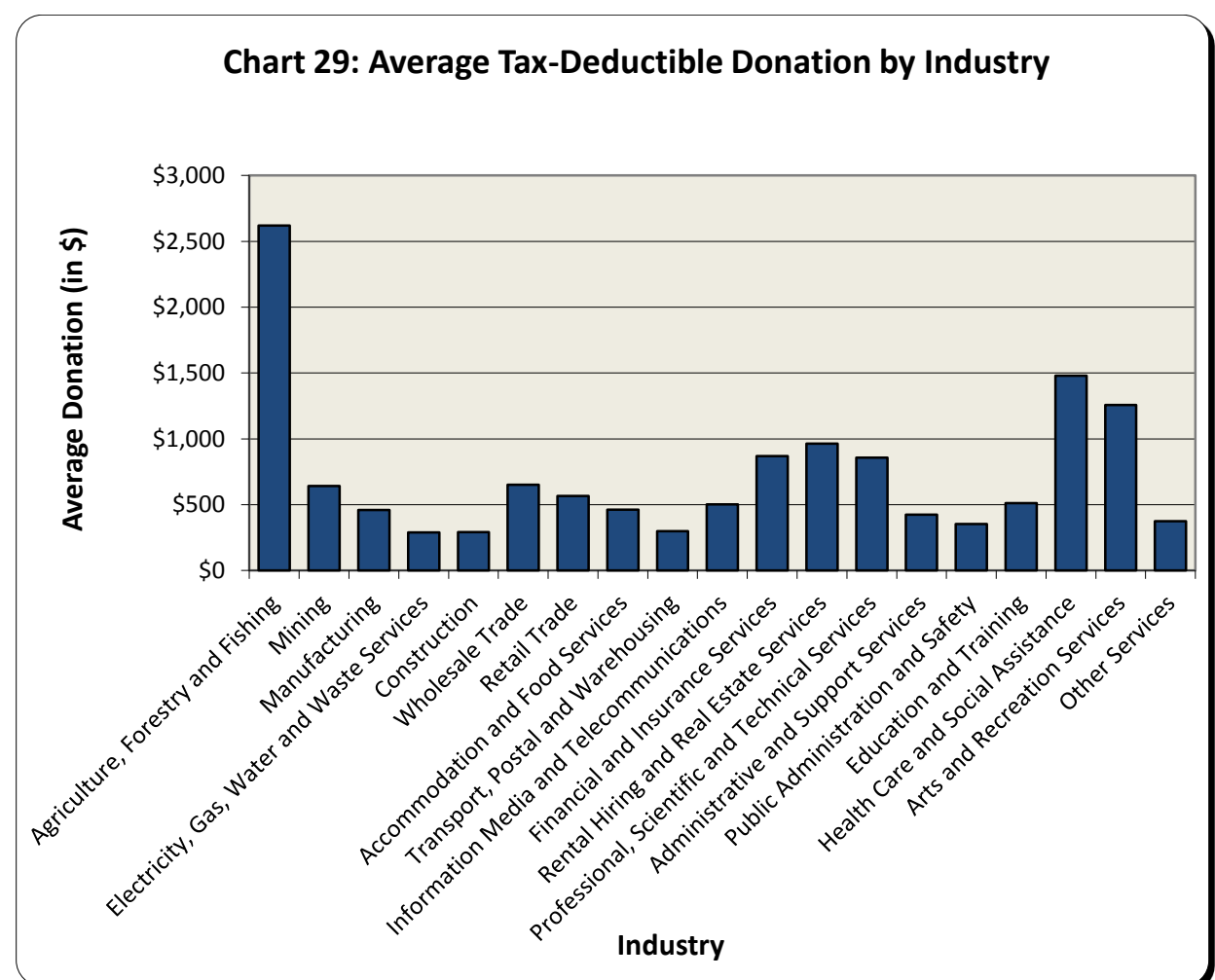


Chart 28: *Percentage of Donating Taxpayers to Total Taxpayers by Industry* shows the percentage of sole trader business taxpayers who made and claimed tax-deductible gifts by industry code in 2011-12. The chart reveals that the sole trader industry category with the highest percentage of taxpayers claiming a gift were sole trader business taxpayers working in the education and training industry with 35.34% (down from 41.33% in 2010-11). The next highest were taxpayers in the professional, scientific, and technical services with 34.72% claiming a gift.



At the opposite end of the scale, taxpayers in the transport, postal and warehousing industry reported the lowest percentage of donating taxpayers to total taxpayers (13.34%).. The next lowest donors were the sole trader business taxpayers engaged in the accommodation and food industry (14.45%) and construction industry (15.23%). Sole trader business taxpayers engaged in the construction industry have consistently recorded the lowest percentage of donating taxpayers within an individual industry category in 2006-07 (23.57%), 2007-08 (23.31%), 2008-09 (26.03%), 2009-10 (24.24%) and 2010-11 (27.16%).

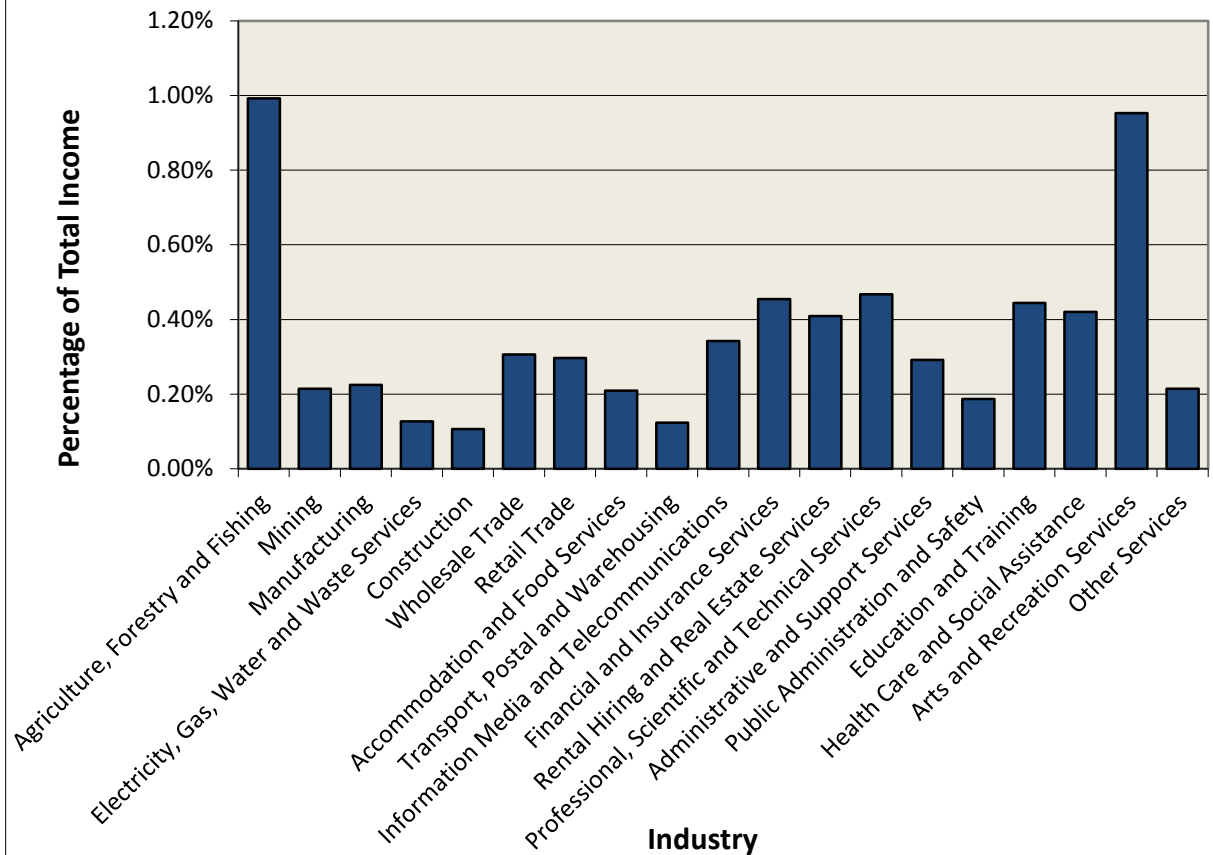
In terms of average tax-deductible donations by industry code, *Chart 29: Average Tax-Deductible Donation by Industry* reveals that the highest average tax-deductible gifts made and claimed by sole trader business taxpayers in 2010-11 came from those engaged in the agriculture, forestry and fishing industry. These taxpayers made an average tax-deductible donation of \$2,619.46 (compared to \$1,560.11 in 2010-11).



The next highest average tax deductible gift came from sole trader business taxpayers engaged in health care and social assistance (\$1,478.89), followed by those in arts and recreation services (\$1,256.43). At the opposite end of the scale, the lowest average tax-deductible donations made and claimed in 2011-12 came from sole trader business taxpayers engaged in electricity, gas, water and waste services with \$289.28 (\$304.61 in 2010-11). Next lowest were from the construction industry with \$291.86 (\$239.84 in 2010-11), followed by those engaged in transport, postal and warehousing with an average tax-deductible donation of \$300.03.

Chart 30 (overleaf): Tax-Deductible Donations as a Percentage of Taxable Income by Industry analyses the amount of tax-deductible donations relative to taxable income of sole trader business taxpayers, sorted by ANZSIC industry categories. The chart reveals that in 2011-12, sole trader business taxpayers in the agriculture, forestry and fishing industry claimed the equivalent of 0.99% of their taxable incomes as donations to DGRs (compared to 0.72% in 2010-11 and 0.68% in 2009-10). Taxpayers operating in arts and recreation services were the next highest donors, donating the equivalent of 0.95% of their taxable incomes to DGRs in 2011-12 (compared to 0.56% in 2010-11 and 0.59% in 2009-10).

Chart 30: Tax Deductible Donations as a Percentage of Taxable Income by Industry



At the opposite end of the scale, the industry that made and claimed the least amount of tax-deductible donations to DGRs in 2011-12 (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 0.11% of their taxable income in 2011-12. This industry has consistently donated the smallest percentage of their income since 1999-2000.

3.7 Taxpayer Donations by OCCUPATION

For the sixth time the ATO has made available data for wages and salary classified by occupation code of the taxpayer.

Occupation is taken from the personal tax return item 1. The occupation codes for 2011-12 are based upon the 'Australian and New Zealand Standard Classification of Occupations, First Edition, Revision 1' produced by the Australian Bureau of Statistics 2006. There are eight major groups:

- managers
- professionals
- technicians and trades workers
- community and personal service workers
- clerical and administrative workers
- sales workers
- machinery operators and drivers workers
- labourers

Each major group has a number of sub groups. Table 8 in the appendix contains the data relating to these eight major groups of occupations.

On the Centre's website is a search tool for all occupations which will retrieve all the relevant deductible gift data for the year 2011-12 by occupation and the three previous years. This is available from <http://www.qut.edu.au/business/about/research-centres/australian-centre-for-philanthropy-and-nonprofit-studies/publications-and-resources/giving-by-postcode>

Tables 17-20 below show the occupations with the highest average claimed gifts, highest total claimed gifts, highest percentage of claimed gifts against total income and highest percentage of participating taxpayers per occupation code. The miscellaneous, 'no occupation' and 'other' categories have been omitted from the data analysis as well as occupation codes containing fewer than 50 people.

Table 17 identifies the top ten occupations by total gifts. Chief executives and managing directors (occupation code 1111) topped the list donating a total of \$226,489,128 in 2011-12.

Table 17: Highest TOTAL Gifts Claimed by Individual Taxpayers 2011-12 by OCCUPATION			
Rank	Occupation Code	Occupation Code	Total value of gifts/donations (\$)
1	1111	Chief Executives and Managing Directors	226,489,128
2	1112	General Managers	54,998,645
3	2211	Accountants	47,251,401
4	2544	Registered Nurses	43,487,589
5	1311	Advertising and Sales Managers	35,555,858
6	5311	General Clerks	32,744,480
7	2414	Secondary School Teachers	30,020,241
8	2539	Other Medical Practitioners	25,304,409
9	2412	Primary School Teachers	22,256,445
10	2421	University Lecturers and Tutors	21,681,650

Table 18 displays the top ten occupation groups by average gift. In addition to topping the list of total donations, the occupation code of Chief executives and managing directors (occupation code 1111) had the highest average gift of \$4,862.89.

Table 18: Highest AVERAGE Gifts Claimed by Individual Taxpayers 2011-12 by OCCUPATION			
Rank	Occupation Code	Occupation Code	Average gift (per gifting taxpayer) (\$)
1	1111	Chief Executives and Managing Directors	4,862.89
2	9222	Consultant - financial investment	2,740.45
3	2532	Anaesthetists	2,412.42
4	2533	Internal Medicine Specialists	2,310.01
5	2712	Judicial and Other Legal Professionals	2,222.86
6	2535	Surgeons	2,154.89
7	2539	Other Medical Practitioners	1,889.09
8	2222	Financial Dealers	1,856.78
9	2711	Barristers	1,727.61
10	2531	Generalist Medical Practitioners	1,663.92

While the specific ordering of the top 10 has changed this year, all except Barristers were ranked in the top 10 for 2010-11. Psychiatrists (who ranked 9 last year) came in at 14 this year with an average tax-deductible gift of \$1,491.23 (compared to \$1,544.42 in 2010-11).

Table 19 identifies deductible gifts as a percentage of income by occupation. Ministers of Religion (occupation code 2722) ranked number one in 2011-12 claiming 2.19% of their taxable income as gifts to DGRs. Ministers of Religion also ranked first in 2010-11 and 2009-10. Overall, this list features a mix of occupation codes with low and high mean taxable incomes.

Table 19: Highest PERCENTAGE of income claimed as gifts by individual taxpayers 2011-12 by OCCUPATION			
Rank	Occupation Code	Occupation Code	Total gifts as a percent of total taxable income (%)
1	2722	Ministers of Religion	2.19%
2	9222	Consultant - financial investment	1.26%
3	1111	Chief Executives and Managing Directors	1.10%
4	1113	Legislators	0.93%
5	2540	Midwifery and Nursing Professionals	0.87%
6	2114	Visual Arts and Crafts Professionals	0.79%
7	2712	Judicial and Other Legal Professionals	0.78%
8	2122	Authors, and Book and Script Editors	0.71%
9	9224	Consultant - management	0.69%
10	2120	Media Professionals	0.64%

Table 20 (overleaf) depicts the percentage of donating taxpayers to total taxpayers within each occupation code in 2011-12¹⁸. The occupation with the highest percentage of donating taxpayers was Police (occupation code 4413) in which 75.00% of taxpayers made a tax-deductible gift to DGRs. in which 72.42% of taxpayers made a tax-deductible gift to DGRs. The occupation with the next highest percentage of donating taxpayers was School Principals (1343) with 67.80% donating, followed by Policy and Planning Managers with 66.23% making a donation.

¹⁸ Only occupation codes with at least 50 people were included in data analysis.

Table 20: Highest PERCENTAGE of donating taxpayers to total taxpayers 2011-12 by OCCUPATION¹⁹

Rank	Occupation Code	Occupation Code	Percent of total taxpayers claiming a gift (%)
1	4413	Police	72.42%
2	1343	School Principals	67.80%
3	1324	Policy and Planning Managers	66.23%
4	2540	Midwifery and Nursing Professionals	65.00%
5	2712	Judicial and Other Legal Professionals	63.74%
6	1322	Finance Managers	60.45%
7	1323	Human Resource Managers	60.42%
8	2244	Intelligence and Policy Analysts	59.19%
9	2222	Financial Dealers	59.14%
10	1499	Other Hospitality, Retail and Service Managers	59.14%

Traditionally, this list is dominated by professions that involve a senior management positions that requires a high degree of demonstrated leadership, often of 'close' teams such as police, health, education, legal and banking and finance.

¹⁹ Only occupation codes with at least 50 people were included in this data analysis

4.0 LIMITATIONS OF THE STUDY

- a. This study only uses information based on published ATO material and represents only the extent of tax-deductible donations made to DGRs and claimed by Australian taxpayers at *Item D9 Gifts or Donations* in their individual income tax returns for the 2011-12 income year. This study does not measure the total amounts gifted by Australian taxpayers. It is not known exactly 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 the donation will be claimed by the taxpayer in their tax return.
- b. It is not known how many erroneous tax-deductible donations are claimed by taxpayers. For instance, in 2002-03, the ATO found 265,547 discrepancies in reviewing individual tax returns.
- 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. 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 (e.g. 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 and contributions by individuals to DGRs.
- 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' 2012 tax returns processed by the ATO as at 31 October 2013.

- f. Any information contained in 2011-12 income tax returns lodged by Australian taxpayers after October 31 2013 will not be reflected in the 2012 Taxation Statistics publication. Instead, information relating to 2012 tax returns of individuals lodged after 31 October 2013 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.
- g. 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 businesses;
 - 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.

- h. For the fifth time the ATO has provided data by occupation code declared in an individual taxpayer's return. There are a large number of taxpayers who do not declare their occupation or are classified as miscellaneous.

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 at the end of their tax returns 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 useful trend data 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.

Despite these limitations, it is considered that the results of this analysis 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.

5.0 BIBLIOGRAPHY

Australian Bureau of Statistics. (1997). *Australian Standard Classification of Occupations, Second Edition*. Retrieved May 27, 2014 from

<http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/1220.01997?OpenDocument>

Australian Bureau of Statistics. (2009). *Australian and New Zealand Standard Classification of Occupations, First Edition Revision 1*. Retrieved May 27, 2014 from

<http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/1220.0First%20Edition,%20Revision%201?OpenDocument>

Australian Business Register. (2011). *ABN look up*. Retrieved May 27, 2014 from

<http://www.abr.business.gov.au/>

Australian Taxation Office. (2014). *GiftPack*. Retrieved May 27, 2014 from

<https://www.ato.gov.au/Non-profit/Guides/In-detail/Guides---booklets/Gifts---fundraising/GiftPack/>

Australian Taxation Office. (2014). *Income tax guide for non-profit organisations*. Retrieved May 27, 2014 from

<https://www.ato.gov.au/General/Enquiry-hot-topics/In-detail/Non-profit-organisations/Income-tax-guide-for-non-profit-organisations/>

Australian Taxation Office. (2014). *Tax basics for non-profit organisations*. Retrieved May 27, 2014

from <https://www.ato.gov.au/Non-profit/NP/Tax-basics-for-non-profit-organisations/>

Australian Taxation Office. (2013). *Taxation statistics 2010-11*. Retrieved May 27, 2014 from

<https://www.ato.gov.au/About-ATO/Research-and-statistics/Previous-years/Tax-statistics/Taxation-statistics-2010-11/>

Australian Taxation Office. (2014). *Taxation statistics 2011-12*. Retrieved May 27, 2014 from

<https://www.ato.gov.au/About-ATO/Research-and-statistics/In-detail/Tax-statistics/Taxation-statistics-2011-12/>

Charities Aid Foundation & National Council for Voluntary Organisations. (2009). *The impact of the recession on charitable giving in the UK*. Retrieved May 27, 2014 from <http://www.cafonline.org/PDF/UKGivingReport2009.pdf>

Givewell. (2009). Charities report decline in fundraising appeals and negative prospects for other fundraising sources.

Giving USA. (2013). *The annual report on philanthropy for the year 2012*. Retrieved May 27, 2014 from <http://www.givingusareports.org/>

Income Tax Assessment Regulations 1997 (Cth) s. 3.

Lyons, M., & Hocking, S. (2000). *Dimensions of Australia's third sector: Report of the Australian nonprofit data project*. Sydney, Australia: University of Technology, Centre for Community Organisations and Management.

Productivity Commission. (2010). *Contribution of the not-for-profit sector*. Retrieved May 27, 2014 from http://www.pc.gov.au/_data/assets/pdf_file/0003/94548/not-for-profit-report.pdf

The Prime Minister's Community Business Partnership. (2005). *Giving Australia: Research on philanthropy in Australia*. Retrieved May 27, 2014 from http://cms.qut.edu.au/_data/assets/pdf_file/0007/87379/Giving-Australia-Report_Oct-2005.pdf

The Prime Minister's Community Business Partnership. (n.d.). *Taxation initiatives to encourage philanthropy*. Retrieved May 27, 2014 from http://www.fahcsia.gov.au/sites/default/files/documents/05_2012/pmcbbp_fs5.pdf

6.0 APPENDIX

Taxation Statistics 2011-12
Table 1: Total and Average Donations (Revised ATO Data)²⁰²¹
Income Years Ending 30 June 2000 to 30 June 2012

	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
Number of Taxable Taxpayers	8,948,110	9,064,090	9,241,690	9,442,995	9,723,380	9,920,200	9,850,200	10,083,420	9,582,260	9,537,600	9,742,690	9,799,820
Number of Non-Taxable Taxpayers	1,985,030	2,029,885	2,108,475	2,219,875	2,222,685	2,288,560	2,712,315	2,910,660	3,325,920	3,511,860	3,373,400	2,936,210
Total Taxpayers	10,933,145	11,093,975	11,350,160	11,946,065	11,946,065	12,208,760	12,562,515	12,994,080	12,908,185	13,049,460	13,116,090	12,736,030
Taxable income (\$ million)	354,681	366,689	386,455	416,344	449,106	483,219	532,311	568,595	581,278	610,179	657,738	672,232
Donating Taxpayers	3,565,275	3,750,205	3,854,545	4,006,745	4,462,255	4,346,220	4,448,860	4,536,475	4,780,600	4,545,765	4,911,005	4,536,370
Total Tax-Deductible Donations (\$ million)	868	925	1,001	1,202	1,524	1,615	1,951	2,386	2,141	2,033	2,298	2,242
Percentage Change	16.58%	6.64%	8.18%	20.14%	26.78%	5.96%	20.78%	22.31%	-10.28%	-5.04%	13.04%	-2.44%
Percentage of Donors to Total Taxpayers	32.61%	33.80%	33.96%	34.35%	37.35%	35.60%	35.41%	34.91%	37.04%	34.83%	37.44%	35.62%
Donation as a Percentage of Taxable Income	0.24%	0.25%	0.26%	0.29%	0.34%	0.33%	0.37%	0.42%	0.37%	0.33%	0.35%	0.33%
Average Tax-Deductible Donation	243.33	246.69	259.65	300.08	341.60	371.61	438.49	525.96	447.81	447.23	467.96	494.25
Dollar Increase (\$)	28.98	44.61	12.95	40.43	41.52	30.01	66.87	87.47	-78.15	-0.58	20.74	26.29
Percentage Increase	13.52%	1.38%	5.25%	15.57%	13.84%	8.79%	17.99%	19.95%	-14.86%	-0.13%	4.64%	5.62%

²⁰ Source: Table 1: Individuals Tax. Selected Items, for income years 1978-79 to 2011-12, Australian Taxation Office (2014) Taxation Statistics 2011-12

²¹ The ATO revises its figures to take account of newly processed returns and adjustments for three years after initial release and this table reflects all revisions to October 2012. It differs from the figures used in the text as they compare the state of the data as at October 2012 so that proper comparisons can be made with the previous year.

In previous years this table was updated back to the earliest years possible. This has been changed so the data is only updated for the two preceding years.

Taxation Statistics 2011-12 Table 2: Donations by Gender²² Income Year Ending 30 June 2012								
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	6,626,835	414,861	2,263,395	1,287	34.15%	0.31%	568.83	57.42%
Female	6,109,290	257,372	2,273,040	955	37.21%	0.37%	419.97	42.58%
Total	12,736,125	\$ 672,232	4,536,435	\$ 2,242.11	35.62%	0.33353%	\$ 494.25	100.00%

²² Source: Table 2: Individual Tax. Selected items, by state/territory, age, gender, taxable status, and lodgement method, 2011-12 income year Australian Taxation Office (2014) Taxation Statistics 2011-12

Taxation Statistics 2011-12
Table 3: State of Residence²³
Income Year Ending 30 June 2012

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				
New South Wales	4007835	216,305	1,459,825	839.56	36.42%	0.39%	575.11	37.45%
Victoria	3164540	161,584	1,236,465	615.68	39.07%	0.38%	497.93	27.46%
Queensland	2555375	129,577	850,300	311.81	33.27%	0.24%	366.71	13.91%
South Australia	914315	43,745	306,430	139.72	33.51%	0.32%	455.96	6.23%
Western Australia	1416625	86,495	442,805	224.68	31.26%	0.26%	507.40	10.02%
Tasmania	272430	12,052	91,265	36.48	33.50%	0.30%	399.74	1.63%
Northern Territory	119645	6,693	38,375	12.75	32.07%	0.19%	332.31	0.57%
ACT	238115	14,740	107,790	59.63	45.27%	0.40%	553.25	2.66%
Other Taxpayers	47170	1,043	3,210	1.80	6.81%	0.17%	560.66	0.08%
Total	12,736,030	\$ 672,232	4,536,370	\$ 2,242.11	35.62%	0.33%	\$ 494.25	100.00%

²³ Source: Table 4: Individual Tax. Selected items, by taxable income, state/territory, gender, and taxable status, 2011-12 year Australian Taxation Office (2014) Taxation Statistics 2011-12

Taxation Statistics 2011-12
Table 4: Income Band²⁴
Income Year Ending 30 June 2012

Taxable Income Bands	Total Number of Individual Taxpayers	Taxable Income \$m	Percentage of Taxpayers in Income Band to Total 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				
Non-taxable	2,935,960	31,584	23.05%	458,480	206.20	15.62%	0.65%	449.74	9.20%
Less than \$6,001	25,020	58	0.20%	1,275	0.65	5.10%	1.14%	513.51	0.03%
\$6,001 to \$10,000	13,195	103	0.10%	905	0.41	6.86%	0.40%	456.07	0.02%
\$10,001 - \$15,000	16,035	206	0.13%	1,145	0.42	7.14%	0.20%	368.09	0.02%
\$15,001 to \$20,000	436,290	7,890	3.43%	100,525	23.98	23.04%	0.30%	238.56	1.07%
\$20,001 to \$25,000	649,305	14,594	5.10%	182,745	42.59	28.14%	0.29%	233.03	1.90%
\$25,001 to \$30,000	665,610	18,335	5.23%	209,745	51.97	31.51%	0.28%	247.78	2.32%
\$30,001 to \$37,000	1,120,825	37,699	8.80%	398,465	117.76	35.55%	0.31%	295.53	5.25%
\$37,001 to \$40,000	503,520	19,376	3.95%	193,315	54.27	38.39%	0.28%	280.72	2.42%
\$40,001 to \$45,000	770,595	32,719	6.05%	312,500	84.23	40.55%	0.26%	269.54	3.76%
\$45,001 to \$50,000	692,525	32,861	5.44%	293,000	82.67	42.31%	0.25%	282.14	3.69%
\$50,001 to \$55,000	605,750	31,771	4.76%	267,105	79.38	44.09%	0.25%	297.20	3.54%
\$55,001 to \$60,000	540,730	31,070	4.25%	246,815	73.62	45.64%	0.24%	298.28	3.28%
\$60,001 to \$70,000	895,990	58,033	7.04%	425,350	139.92	47.47%	0.24%	328.95	6.24%
\$70,001 to \$80,000	733,725	55,049	5.76%	348,770	149.33	47.53%	0.27%	428.16	6.66%
\$80,001 to \$90,000	526,475	44,539	4.13%	261,150	113.76	49.60%	0.26%	435.62	5.07%
\$90,001 to \$100,000	354,675	33,601	2.78%	181,040	80.86	51.04%	0.24%	446.64	3.61%
\$100,001 to \$150,000	779,310	93,171	6.12%	401,140	233.18	51.47%	0.25%	581.30	10.40%
\$150,001 to \$180,000	177,515	29,169	1.39%	90,730	95.16	51.11%	0.33%	1,048.80	4.24%
\$180,001 to \$250,000	157,040	32,520	1.23%	84,095	113.80	53.55%	0.35%	1,353.24	5.08%
\$250,001 to \$500,000	103,155	34,116	0.81%	59,010	153.60	57.21%	0.45%	2,602.91	6.85%
\$500,001 to \$1,000,000	24,115	16,144	0.19%	14,125	85.75	58.57%	0.53%	6,070.59	3.82%
\$1,000,000 or more	8,425	17,579	0.07%	5,195	258.08	61.66%	1.47%	49,678.88	11.51%
Other	210	44	0.00%	65	0.53	30.95%	1.18%	8,108.86	0.02%
Total	12,735,995	\$672,232	100.00%	4,536,690	\$ 2,242.11	35.62%	0.33%	\$ 494.25	100.00%

²⁴ Source: Table 3: Individual Tax, Selected items by taxable income, age, gender, and taxable status, 2011-12 income year Australian Taxation Office (2014) Taxation Statistics 2011-12

Taxation Statistics 2011-12
Table 5: Highest total deductible gifts by State and Postcode²⁵
Income Year Ending 30 June 2012

Postcode	Locations	No. of Gifting taxpayers	Amount of Gift \$	Average gift	% making gift	% of taxable Income
NSW						
2030	Dover Heights, HMAS Watson, Rose Bay North, Vacluse, Watsons Bay	3,745	27,318,621	7294.69	39.42%	2.19%
2088	Mosman, Spit Junction	8,165	21,458,146	2628.06	42.74%	0.84%
2027	Darling Point, Edgecliff, HMAS Rushcutters, Point Piper	2,480	17,335,695	6990.20	41.96%	1.67%
2065	Crows Nest, Crows Nest DC, Greenwich, Naremburn, Royal North Shore Hospital, St Leonards, Wollstonecraft	7,740	14,198,382	1834.42	40.06%	0.88%
2076	Normanhurst, North Wahroonga, Wahroonga	6,050	13,502,950	2231.89	40.29%	1.12%
VIC						
3142	Hawkeburn, Toorak	3,760	30,216,306	8036.25	37.19%	2.07%
3122	Auburn South, Glenferrie South, Hawthorn, Hawthorn North, Hawthorn West	5,605	18,455,599	3292.70	37.54%	1.42%
3101	Cotham, Kew	6,050	16,265,913	2688.58	38.25%	1.14%
3141	South Yarra	5,595	15,218,424	2720.00	36.71%	1.16%
3206	Albert Park, Middle Park	2,940	14,561,298	4952.82	42.30%	1.89%

²⁵ Source: Table 6: Individual tax. Selected items, by taxable status, state/territory, and postcode, 2011-12 income year Australian Taxation Office (2014) Taxation Statistics 2011-12

Taxation Statistics 2011-12
Table 5: Highest total deductible gifts by State and Postcode
Income Year Ending 30 June 2012

Postcode	Locations	No. of Gifting taxpayers	Amount of Gift \$	Average gift	% making gift	% of taxable Income
QLD						
4350	Athol, Blue Mountain Heights, Centenary Heights, Charlton, Clifford Gardens, Cotsworld Hills, Cranley, Darling Heights, Drayton, Drayton North, East Toowoomba, Finnie, Glenvale, Gowrie Mountain, Harlaxton, Harristown, Kearneys Spring, Middle Ridge, Mount Kynoch, Mount Lofty, Mount Rascal, Newtown, North Toowoomba, Northlands, Prince Henry Heights, Rangeville, Redwood, Rockville, South Toowoomba, Southtown, Toowoomba, Toowoomba BC, Toowoomba City, Toowoomba DC, Toowoomba East, Toowoomba South, Toowoomba Village Fair, Toowoomba West, Top Camp, Torrington, Wellcamp, Westbrook, Wilsonton, Wilsonton Heights, Wyalla Plaza	20,560	7,294,468	354.79	35.37%	0.27%
4067	St Lucia, St Lucia South	1,725	7,232,286	4192.63	31.80%	1.93%
4069	Brookfield, Chapel Hill, Fig Tree Pocket, Kenmore, Kenmore DC, Kenmore East, Kenmore Hills, Pinjarra Hills, Pullenvale, Upper Brookfield	8,215	7,133,815	868.39	38.09%	0.42%
4740	Alexandra, Alligator Creek, Andergrove, Bakers Creek, Balberra, Balnagowan, Beaconsfield, Belmunda, Blacks Beach, Cape Hillsborough, Chelona, Cremorne, Dolphin Heads, Dumbleton, Dundala, Dunnrock, East Mackay, Eimeo, Erakala, Foulden, Glenella, Grasstree Beach, Habana, Haliday Bay, Hay Point, Homebush, Mackay, Mackay Caneland, Mackay DC, Mackay Harbour, Mackay North, Mackay South, Mackay West, McEwans Beach, Mount Jukes, Mount Pleasant, Munbura, Nindaroo, North Mackay, Ooralea, Paget, Racecourse, Richmond, Rosella, Rural View, Sandiford, Slade Point, South Mackay, Te Kowai, The Leap, West Mackay	19,165	5,346,634	278.98	36.96%	0.16%
4218	Broadbeach, Broadbeach Waters, Mermaid Beach, Mermaid Waters, Nobby Beach, Pacific Fair, Q Supercentre	5,360	4,612,171	860.48	25.73%	0.45%

Taxation Statistics 2011-12
Table 5: Highest total deductible gifts by State and Postcode
Income Year Ending 30 June 2012

Postcode	Locations	No. of Gifting taxpayers	Amount of Gift \$	Average gift	% making gift	% of taxable Income
SA						
5067	Beulah Park, Kent Town, Norwood, Norwood South, Rose Park	2,460	11,270,546	4581.52	37.33%	2.55%
5034	Clarence Park, Goodwood, Kings Park, Millswood, Wayville	2,565	8,067,672	3145.29	40.11%	2.01%
5062	Brown Hill Creek, Clapham, Hawthorn, Kingswood, Lower Mitcham, Lynton, Mitcham, Mitcham Shopping Centre, Netherby, Springfield, Torrens Park	3,945	7,829,862	1984.76	40.48%	1.16%
5006	North Adelaide, North Adelaide Melbourne St	1,540	5,023,611	3262.09	34.53%	1.45%
5066	Beaumont, Burnside, Erindale, Hazelwood Park, Stonyfell, Waterfall Gully, Wattle Park	3,060	3,386,333	1106.64	37.99%	0.56%
WA						
6011	Cottesloe, Peppermint Grove	2,235	43,778,673	19587.77	34.57%	4.62%
6009	Broadway Nedlands, Crawley, Dalkeith, Nedlands, Nedlands DC	3,900	7,988,188	2048.25	33.48%	0.59%
6012	Mosman Park	1,895	6,039,863	3187.26	33.45%	0.94%
6010	Claremont, Claremont North, Karrakatta, Mount Claremont, Swanbourne	3,815	5,897,219	1545.80	35.74%	0.54%
6018	Churchlands, Doubleview, Gwelup, Gwelup DC, Innaloo, Karrinyup, Woodlands	8,590	3,712,442	432.18	36.73%	0.23%

Taxation Statistics 2011-12
Table 5: Highest total deductible gifts by State and Postcode
Income Year Ending 30 June 2012

Postcode	Locations	No. of Gifting taxpayers	Amount of Gift \$	Average gift	% making gift	% of taxable Income
TAS						
7250	Blackstone Heights, East Launceston, Launceston, Newstead, Norwood, Prospect, Prospect Vale, Ravenswood, Riverside, St Leonards, Summerhill, Travellers Rest, Trevallyn, Waverley, West Launceston	10,230	6,069,000	593.26	35.55%	0.45%
7005	Dynnyrne, Lower Sandy Bay, Sandy Bay	3,020	2,748,964	910.25	36.41%	0.55%
7320	Acton, Brooklyn, Burnie, Camdale, Cooe, Downlands, Emu Heights, Havenview, Hillcrest, Montello, Ocean Vista, Park Grove, Parklands, Romaine, Round Hill, Shorewell Park, South Burnie, Upper Burnie, Wivenhoe	2,500	1,819,965	727.99	28.00%	0.45%
7001	Hobart	145	1,682,465	11603.21	20.57%	3.43%
7000	Glebe, Hobart, Mount Stuart, North Hobart, Queens Domain, West Hobart	3,435	1,674,661	487.53	40.53%	0.38%
NT						
0810	Alawa, Brinkin, Casuarina, Coconut Grove, Jingili, Lee Point, Lyons, Millner, Moil, Muirhead, Nakara, Nightcliff, Rapid Creek, Tiwi, Wagaman, Wanguri	6,780	2,239,250	330.27	35.84%	0.21%
0870	Alice Springs, Araluen, Braitling, Ciccone, Desert Springs, East Side, Gillen, Sadadeen, Stuart, The Gap, White Gums	4,340	1,885,808	434.52	32.14%	0.26%
0820	Bayview, Charles Darwin, Coonawarra, Darwin DC, East Point, Eaton, Fannie Bay, Larrakeyah, Ludmilla, Parap, Stuart Park, The Gardens, The Narrows, Winnellie, Woolner	4,160	1,770,601	425.63	34.75%	0.22%
0812	Anula, Buffalo Creek, Holmes, Karama, Leanyer, Malak, Marrara, Wulagi	4,185	1,148,093	274.34	36.81%	0.18%
0830	Archer, Driver, Durack, Farrar, Gray, Marlow Lagoon, Moulden, Palmerston, Shoal Bay, Woodroffe, Yarrawonga	4,075	917,793	225.23	36.96%	0.15%

Taxation Statistics 2011-12
Table 5: Highest total deductible gifts by State and Postcode
Income Year Ending 30 June 2012

Postcode	Locations	No. of Gifting taxpayers	Amount of Gift \$	Average gift	% making gift	% of taxable Income
ACT						
2602	Ainslie, Dickson, Downer, Hackett, Lyneham, O'Connor, Watson	8,935	6,308,483	706.04	47.18%	0.53%
2615	Charnwood, Dunlop, Florey, Flynn, Fraser, Higgins, Holt, Kippax, Latham, MacGregor, Melba, Spence	12,560	5,052,512	402.27	45.05%	0.33%
2614	Aranda, Cook, Hawker, Jamison Centre, Macquarie, Page, Scullin, Weetangera	6,085	4,664,247	766.52	48.24%	0.61%
2611	Bimberi, Brindabella, Chapman, Cooleman, Coombs, Coree, Duffy, Fisher, Holder, Rivett, Stirling, Stromlo, Uriarra, Uriarra Village, Waramanga, Weston, Weston Creek, Wright	7,490	4,396,994	587.05	49.59%	0.47%
2617	Belconnen, Belconnen DC, Bruce, Evatt, Giralang, Kaleen, Lawson, McKellar, University of Canberra	8,275	4,045,215	488.85	42.83%	0.37%

Taxation Statistics 2011-12						
Table 6: Highest average deductible gift by State and Postcode ²⁶						
Income Year Ending 30 June 2012						
Postcode	Locations	No. of Gifting taxpayers	Amount of Gift \$	Average gift	% making gift	% of taxable Income
NSW						
1560	Northbridge	15	217,925	14,528	25.00%	6.16%
2108	Coasters Retreat, Currawong Beach, Great Mackerel Beach, Palm Beach	465	4,136,752	8,896	36.33%	2.99%
1360	Double Bay	35	285,462	8,156	35.00%	2.70%
2030	Dover Heights, HMAS Watson, Rose Bay North, Vaucluse, Watsons Bay	3,745	27,318,621	7,295	39.42%	2.19%
2027	Darling Point, Edgecliff, HMAS Rushcutters, Point Piper	2,480	17,335,695	6,990	41.96%	1.67%
VIC						
3944	Portsea	155	1,768,170	11407.55	37.80%	3.53%
3142	Hawksburn, Toorak	3,760	30,216,306	8036.25	37.19%	2.07%
8002	East Melbourne	20	109,685	5484.25	36.36%	3.14%
3148	Chadstone, Chadstone Centre, Holmesglen, Jordanville	1,755	8,824,630	5028.28	33.72%	3.60%
3206	Albert Park, Middle Park	2,940	14,561,298	4952.82	42.30%	1.89%
QLD						
4067	St Lucia, St Lucia South	1,725	7,232,286	4192.63	31.80%	1.93%
4007	Ascot, Hamilton, Hamilton Central	2,720	4,198,529	1543.58	35.70%	0.58%
4064	Milton, Milton BC, Paddington	2,660	3,573,326	1343.36	36.94%	0.68%
4065	Bardon	2,490	2,458,442	987.33	42.82%	0.51%
4006	Bowen Hills, Fortitude Valley, Fortitude Valley BC, Herston, Newstead	2,765	2,661,625	962.61	32.11%	0.43%

²⁶ Source: Table 6: Individual tax. Selected items, by taxable status, state/territory, and postcode, 2011-12 income year Australian Taxation Office (2014) Taxation Statistics 2011-12

Taxation Statistics 2011-12
Table 6: Highest average deductible gift by State and Postcode
Income Year Ending 30 June 2012

Postcode	Locations	No. of Gifting taxpayers	Amount of Gift \$	Average gift	% making gift	% of taxable Income
SA						
5071	Kent Town DC	100	1,135,616	11356.16	24.39%	5.16%
5354	Bakara, Bakara Well, Fisher, Naidia, Swan Reach	35	219,444	6269.83	17.50%	3.03%
5067	Beulah Park, Kent Town, Norwood, Norwood South, Rose Park	2,460	11,270,546	4581.52	37.33%	2.55%
5006	North Adelaide, North Adelaide Melbourne St	1,540	5,023,611	3262.09	34.53%	1.45%
5034	Clarence Park, Goodwood, Kings Park, Millswood, Wayville	2,565	8,067,672	3145.29	40.11%	2.01%
WA						
6011	Cottesloe, Peppermint Grove	2,235	43,778,673	19587.77	34.57%	4.62%
6078	Mariginiup, Pinjar	85	1,136,128	13366.21	27.87%	4.83%
6850	Cloisters Square PO	60	452,371	7539.52	37.50%	2.34%
6956	Melville	25	157,216	6288.64	26.32%	1.68%
6837	Perth	25	128,665	5146.60	10.00%	0.76%
TAS						
7001	Hobart	145	1,682,465	11603.21	20.57%	3.43%
7210	Campbell Town, Lake Leake	110	134,131	1219.37	21.78%	0.65%
7301	Bishopsbourne, Blackwood Creek, Liffer, Longford, Toiberry	715	810,282	1133.26	31.09%	0.81%
7258	Breadalbane, Relbia, White Hills	165	155,270	941.03	28.70%	0.47%
7005	Dynnyrne, Lower Sandy Bay, Sandy Bay	3,020	2,748,964	910.25	36.41%	0.55%

Taxation Statistics 2011-12						
Table 6: Highest average deductible gift by State and Postcode						
Income Year Ending 30 June 2012						
Postcode	Locations	No. of Gifting taxpayers	Amount of Gift \$	Average gift	% making gift	% of taxable Income
NT						
0880	Gapuwiyak, Guyangara, Nhulunbuy, Yirrkala	230	157,637	685.38	26.59%	0.27%
0847	Pine Creek	40	25,924	648.10	29.63%	0.28%
0850	Cossack, Emungalan, Katherine, Katherine East, Katherine South, Lansdowne	910	567,541	623.67	28.80%	0.34%
0885	Alyangula	175	81,265	464.37	25.74%	0.15%
0871	Alice Springs	840	383,744	456.84	33.67%	0.29%
ACT						
2603	Forrest, Griffith, Manuka, Red Hill	2,750	3,230,740	1174.81	44.14%	0.55%
2600	Barton, Canberra, Capital Hill, Deakin, Deakin West, Harman, HMAS Harman, Parkes, Russell, Yarralumla	2,685	2,645,259	985.20	45.86%	0.53%
2607	Farrer, Isaacs, Mawson, Pearce, Torrens	4,405	3,985,455	904.76	47.47%	0.66%
2605	Curtain, Garran, Hughes	3,835	3,295,359	859.29	50.39%	0.60%
2614	Aranda, Cook, Hawker, Jamison Centre, Maquarie, Page, Scullin, Weetangera	6,085	4,664,247	766.52	48.24%	0.61%

Taxation Statistics 2011-12
Table 7: ANZIC Industry Code (for Sole Trader Taxpayers)^{27,28}
Income Year Ending 30 June 2012

ANZSIC Industry Classification	Total Number of Individuals	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			
Agriculture, Forestry and Fishing	67,650	4,292	16,255	42.58	24.03%	0.99%	2,619.46
Mining	1,495	119	400	0.26	26.76%	0.21%	640.98
Manufacturing	42,290	1,736	8,490	3.90	20.08%	0.22%	458.78
Electricity, Gas, Water and Waste Services	2,000	84	370	0.11	18.50%	0.13%	289.28
Construction	189,815	7,950	28,910	8.44	15.23%	0.11%	291.86
Wholesale Trade	12,125	525	2,465	1.61	20.33%	0.31%	651.83
Retail Trade	53,380	2,153	11,275	6.39	21.12%	0.30%	566.86
Accommodation and Food Services	17,265	553	2,495	1.16	14.45%	0.21%	463.03
Transport, Postal and Warehousing	67,075	2,177	8,945	2.68	13.34%	0.12%	300.03
Information Media and Telecommunications	16,715	785	5,350	2.69	32.01%	0.34%	501.88
Financial and Insurance Services	26,095	1,676	8,780	7.62	33.65%	0.45%	868.35
Rental Hiring and Real Estate Services	18,205	1,066	4,530	4.36	24.88%	0.41%	962.82
Professional, Scientific and Technical Services	147,980	9,440	51,380	44.10	34.72%	0.47%	858.30
Administrative and Support Services	78,970	2,575	17,690	7.50	22.40%	0.29%	423.98
Public Administration and Safety	4,445	208	1,100	0.39	24.75%	0.19%	353.07
Education and Training	35,905	1,461	12,690	6.48	35.34%	0.44%	511.02
Health Care and Social Assistance	90,390	10,665	30,305	44.82	33.53%	0.42%	1,478.89
Arts and Recreation Services	59,965	2,482	18,830	23.66	31.40%	0.95%	1,256.43
Other Services	87,100	2,968	17,000	6.35	19.52%	0.21%	373.81
Total	1,018,865	\$ 52,914	247,260	\$ 215.09	24.27%	0.41%	\$ 869.88

²⁷ Source: Table 8: Individual tax. Selected items, by fine and broad industry, 2011–12 income year Australian Taxation Office (2014) Taxation Statistics 2011-12

²⁸ Individuals who are not carrying a business under their own name (e.g. company or trust) are not included in this table. Only individual taxpayers carrying on a business as a sole trader in their 2011-12 income tax return are represented.

Taxation Statistics 2008

Table 8: Occupation Code^{29,30}

Income Year Ending 30 June 2009

Occupation	Total Number of Individual Taxpayers	Taxable Income \$ m	Total Tax-Deductible Donations		Average Gift \$	Percentage of Donating Taxpayers to Total Taxpayers %	Donations as a Percentage of Taxable Income %
			no.	\$ m			
Managers	1,220,285	109,673	549,590	460	837.08	45.04%	0.42%
Professionals	2,196,670	163,648	1,065,065	565	530.84	48.49%	0.35%
Technicians and Trades Workers	1,282,090	72,224	433,890	95	218.99	33.84%	0.13%
Community and Personal Service Workers	1,041,960	38,104	369,520	82	222.68	35.46%	0.22%
Clerical and Administrative Workers	1,631,670	80,838	711,550	197	277.24	43.61%	0.24%
Sales Workers	895,020	29,767	263,100	49	186.87	29.40%	0.17%
Machinery Operators and Drivers	626,690	36,216	240,955	52	216.92	38.45%	0.14%
Labourers	1,068,215	39,606	294,825	57	193.60	27.60%	0.14%
Other	2,774,105	102,157	609,335	684	1121.87	21.97%	0.67%

²⁹ Source: Table 13: Selected items, by occupation, gender, and taxable income, 2011-12 income year Australian Taxation Office (2014) Taxation Statistics 2011-12

³⁰ Apprentices and trainee occupations are classified with their parent or future occupation. Supervisory occupations are classified together with the occupations whose tasks they supervise.