

# Charities Aid Foundation

■■■ committed to effective giving



Issue 2 – Winter 06

## Breakfast with a difference

It seemed a contrast of sorts when a small group of people, some of them wealthy Australians, met for breakfast high atop Sydney's CBD to discuss sharing that wealth with those in need.

The offices of Merrill Lynch command spectacular views of Sydney Harbour but the subject of 'Philanthropy and the Wealthy' moved the focus to more introspective issues.

Daniel Petrie, a former senior executive with Microsoft and recognised philanthropist, argued the case to the group invited by CAF Australia and Merrill Lynch that wealthy Australians should commit 10 percent of that wealth to private foundations to support community not-for-profit organisations.

"Can someone in Australia with \$20 million maintain their desired lifestyle on \$18 million...?" questioned Daniel. "Somehow I don't see them being forced to sell their top of the range Mercedes for a Volkswagen?"

Daniel Petrie has donated funds to research Australian philanthropy. The statistics show that as a progressive wealthy nation Australian giving lags (.5%) well behind countries such as the USA (2.1%) and the United Kingdom (.77%) as a percentage of GDP.

(CONTINUES OVERLEAF)

## Freddy Fricke's amazing legacy

Freddy Fricke, neither rich nor famous, was an unassuming home owner in Sydney's Bondi Junction who pretty much kept to himself before he passed away in 2000.

But his legacy is quickly achieving benefits for young Aboriginal students that will help them accomplish for generations to come.

Freddy bequeathed his humble home to the NSW Aboriginal Land Council (NSWALC) as a gesture towards Reconciliation. The \$537,000 proceeds from its sale seed-funded the Freddy Fricke Scholarship Program for Aboriginal students.

Already nine Aboriginal students have achieved degrees in finance and commerce in NSW tertiary institutions. However in the latest round of grants only eight students - from 37 worthy applicants - could be supported because of limited funds.

Charities Aid Foundation (CAF Community Fund) operates the program on behalf of the NSWALC. Private tax deductible donations and government funds have helped increase the number of scholarships - but more is needed.

Recently the New South Wales Minister for Aboriginal Affairs, Milton Orkopoulos, committed a further \$16,500 to the program - as can other donors.

"Education is a key factor in improving career options, job opportunities and providing positive role models for Aboriginal people," the Minister said.

Aboriginal and Torres Strait Islander students represent less than 1% of university students in Australia and each scholarship is valued at \$10,000 maximum per year.

For scholarship information:  
[www.alc.org.au/news/freddyfricke](http://www.alc.org.au/news/freddyfricke)

Donations: 02 9929 9633



MEDICAL STUDENT CLARE PATTERSON - ANOTHER SCHOLARSHIP SUCCESS.

**CAF**  
**AUSTRALIA**

(CONTINUED FROM FRONT PAGE)

## Breakfast with a difference

He also offered counter arguments that wealthy Australians have worked hard for their money, pay taxes, create jobs for others and should be left alone!

But he says, with wealth comes responsibility and wealthy people can 'survive' on 90 percent of their wealth.

If a person, company or group with \$20 million set up a foundation, with 10% of that - \$2 million - it could conservatively generate \$100,000 per annum indefinitely without diminishing its capital base.

CAF Australia works every day with the transfer of money from those who want to contribute to a better world to those who want to survive in it.

Daniel Petrie raises valid debate for Australia's wealthy and those who want to contribute effectively to a better community. From it, Australians need to challenge and develop attitudes towards their own wealth and the proven benefits of philanthropy.

Our enduring quality as a nation will increasingly depend on it.



Duncan Power  
Executive Director  
CAF Australia

## A 'Responsible Person'



Charities Aid Foundation Australia is becoming more frequently involved in the establishment and management of Foundation Accounts because of its history, reputation and its legally recognised status as a 'Responsible Person'.

The latest foundation structure, Prescribed Private Funds (PPF), are achieving successful philanthropic outcomes and effective tax outcomes for Australian donors - both individual and corporate - and benefits for the charitable organisations they support.

When a person or company sets up one of these private foundations they can make ongoing tax deductible contributions to it, distribute funds to their charities as they choose, while the interest

earned on the investment of the funds is non-taxable.

The ATO requires these types of foundations to appoint a 'Responsible Person' as a Trustee or a member on its Board or controlling body. CAF Australia, with over 80 years experience in foundation management and grant making, can take steerage of the legalities and management of setting up and running your foundation, including the annual tax and legal issues; managing and distributing funds; and liaising with your chosen community organisations.

For more information on the set up and/or management of a foundation contact Marlene MacFarlane at CAF on 02 9929 9633 or [mmacfarlane@cafaustralia.org.au](mailto:mmacfarlane@cafaustralia.org.au)

\* CAF Community Fund Ltd.

## Which charity...?

There are so many charities in our communities that need support to achieve their goals.

CAF Australia provides a website 'Charity Search Engine' facility and encourages not-for-profits to list their organisation's name and details to help donors identify and support them.

Not-for-profit organisations listed on the site [www.cafaustalia.org.au/charities/index.php](http://www.cafaustalia.org.au/charities/index.php) are required to have ATO classification as Deductible Gift Recipients (DGR's). It should be noted that organisations pass through a separate charity validation process to become a recipient of CAF funds.

## Cup of coffee for charity

Thousands of Australian workers are giving up the equivalent of one coffee a week and joining forces to help their favourite charities with a donation from their pay packet.

And because of recent tax incentives, in real terms the donation only costs them about half the amount they are giving (depending on income tax bracket).

The new Workplace Giving program is spreading in popularity across Australia with the support of the Workplace Giving Initiative of which CAF Australia is in partnership with the Federal Government.

Workshops across the country have seen more than 400 companies and organisations attend to learn of the tax and

giving benefits from a planned donation program like Workplace Giving.

If just 10 percent of the Australian workforce donated \$5 a week to their favoured charity(s) through Workplace Giving an extra \$250 million would be raised for community organisations. And what a difference that would make...

Because a donation through Workplace Giving to the charity you support is deducted before being taxed you get the tax deduction immediately. So if you give up just one cup of coffee each week valued at \$2.50, taking into consideration the tax deduction you get for that charitable donation, in real terms it only costs you \$1.45. (Based on tax rate of 42% ex Medicare levy).



If you want to know more about Workplace Giving go to [www.cafaustalia.org.au](http://www.cafaustalia.org.au) or visit the Workplace Giving Initiative website [www.partnerships.gov.au](http://www.partnerships.gov.au)

Equivalent of	Actual weekly cost	Real reduction in take home pay	Annual cost to employee	Annual donation to charity of choice
1 coffee	\$2.50	Only \$1.45	\$75.40	\$130.00
Lunch & drink	\$10.00	Only \$5.80	\$301.60	\$520.00
Takeaway dinner	\$20.00	Only \$11.80	\$603.20	\$1,040.00

## Volunteer Power



ITS NOT ALL HARD WORK.

The innovative volunteer action program 'Timehelp' is attracting both numbers and funding partners; and giving retirees the opportunity to remain involved, active and pass on their knowledge and experience.

This community program links volunteers to a range of needs within state schools. Activity ranges from specialised art classes, school grounds gardening, reading support, library help and much more.

The program began in 2003 to better utilise 'people resources' in building a stronger and more vibrant community. Schools have welcomed the 'hands on' support and assistance of the Timehelp part-time coordinators.

For the seven partnering schools Timehelp organises police checks, pre-placement training, provides a casual uniform for the volunteers,

runs special volunteer networking functions and celebrates the volunteers' efforts.

The Timehelp coordination role is managed by CAF Australia in partnership with the Alcoa Foundation and SEAL Force.

CAF recently received a further grant from the Alcoa Foundation to expand the Timehelp program in Geelong, Victoria; and to introduce it at the Alcoa Australia Rolled Products, Yennora NSW site.

The Myer Foundation has also provided a grant to CAF to establish a pilot Timehelp program in Melbourne which the City of Hobson's Bay will help implement in the Western Suburbs.

Contact John Winkett at CAF Australia 03 9439 1793 for more information.



ALL CREATURES BIG AND SMALL.

## Furry & winged friends

Australians who give to not-for-profit community organisations do so because they want to help improve what they believe in and care for. Youth suicide, fire and flood victims, cultural development, international aid, cancer research and disability care to name a few.

But there are those who also help our two and four legged animal friends who have been abused, neglected or adversely affected by nature and a changing environment.

The World Society for the Protection of Animals (WSPA) works with more than 600 animal protection groups in over 130 countries to raise the

standard of international animal welfare.

WSPA Fundraising Coordinator Rose Gibson said Workplace Giving was vital in helping improve the lives of animals worldwide.

"For animals to live a life free from cruelty, they need the long-term, ongoing help that Workplace Giving can provide," she said. "Pre-tax donations also means every dollar donated can do so much more to create lasting change for animals in need."

Find out more about WSPA visit [www.wspa.org.au](http://www.wspa.org.au)

## Investors in community

The Schizophrenia Fellowship of NSW Inc advocates for and supports people in the community who suffer from a mental illness.

Recently the Fellowship required \$40,000 to renovate and convert a building at the Old Gladesville Hospital (NSW).

Working with a CAF Australia advisor a strong business case was prepared for a loan through Investors in Community (IIC).

Investors in Community is a service of Charities Aid Foundation that operates in alliance with registered commercial financial institutions.

Public donations made to Investors in Community, where practicable, form a pool of funds that can be loaned to charities requiring funds for projects seen as ethically and socially responsible.

Investors in Community, in association with Bendigo Bank, also provides traditional banking for customers with access to the full range of products available through commercial banks including savings accounts, term deposits, cash management accounts and credit cards.

The IIC loan has enabled the Schizophrenia Fellowship of NSW to proceed with the renovations as stage I and the purchase of the computer terminals/telephones as stage II.



FRIENDS MADE AND NEVER LOST.

## Intrepid travellers

Young Australian travellers are making a constructive impact on the areas they visit through a Foundation Account that CAF Australia administers for the Intrepid Travel company.

Intrepid Travel specializes in small group adventure trips to Asia, the Middle East, Europe and Australasia and the Foundation makes grants to Asian and Middle Eastern charities.

Along with the fun and adventure of travel, the company also encourages its clients to be aware of the needs within the communities they travel through.

Intrepid's Foundation Account is made more effective by donors joining together and using their collective influence and funds to raise the profile of charitable causes and encourage other donors to join them in their efforts.

"CAF Australia has helped us bring our collective ambition to life," says Jane Crouch, Responsible Travel Coordinator of Intrepid Travel Australia.

"This has helped us to improve the lives of the people who live in the places that concern us and our travellers."

[www.intrepidtravel.com](http://www.intrepidtravel.com)

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