JBWere

17 December 2010

Manager
Philanthropy and Exemptions Unit
Personal and Retirement Income Division
The Treasury
Langton Crescent
PARKES ACT 2600

Dear Sir/Madam

JBWere, as a pre-eminent adviser to the Philanthropic and Community sector, is pleased to respond to the Government's request for feedback and comments on "Improving the Integrity of Public Ancillary Funds".

We have structured this submission in three parts:

Section 1: **Executive Summary**

Section 2: **JBWere's Experience and Observations around Philanthropy and Public Ancillary Funds**

Section 3: **Detailed Response to each Consultation Question Raised in the Discussion Paper**

We support the Governments objective to review the regulatory framework for Public Ancillary Funds and would welcome the opportunity to participate in future consultation or to answer any subsequent questions that may arise from this consultation process.

Yours sincerely

Christopher Thorn
Executive Director
JBWere Philanthropic Services

Section 1: Executive Summary

JBWere supports Government initiatives to improve the integrity of Public Ancillary Funds (Public Ancillary Funds) and to provide trustees with greater certainty as to their philanthropic obligations.

The key issues raised in our submission are:

That the existing 1608 Public Ancillary Funds (as at 31st October 2009) were established over a long period of time, by a diverse group of stakeholders for a variety of different purposes. We believe the Governments efforts to deliver a "one size fits all" solution may not provide an optimal outcome for either regulatory reform purposes or improvement of community benefit.

The Integrity of the Public Ancillary Fund Discussion Paper does not distinguish between the different types/uses of Public Ancillary Funds. There are two main categories of Public Ancillary Funds:

A) Endowment Model

- o Community Foundations which are independent, not for profit and community based philanthropic entities whose goal is to encourage, facilitate and generate contributions from the community for community benefit. The overall community foundation generally supports a particular geographic region with grants from both sub-accounts (management accounts set up by donors) and a public (or common) fund.

- o Charitable Endowment Funds - set up by private wealth managers (including JBWere) and trustee companies to provide clients a structured way to manage their philanthropic giving. This is achieved by providing donors a way to make enduring gifts from the income generated from capital donated to establish an endowment without the administrative burden of establishing and managing their own independent private charitable foundation or Private Ancillary Fund.

B) Flow through Model

- o Corporate Foundations – many have been in place prior to the advent of Private Ancillary Funds. Many have not (will not) convert to Private Ancillary Fund status as they use the entity to raise funds from clients, employees, etc. often for distribution in the same tax year.

- o Fundraising Foundations supporting a particular charity or a particular cause. These foundations are either established as a flow through vehicle where funds are raised and distributed to a charitable entity such as a hospital, gallery or education establishment, or where funds are accumulated over time for a specific project such as a building.

- o Work Place Giving Public Ancillary Funds

- o Other specific purpose ancillary funds such as ShareGift Australia (www.sharegiftaustralia.org.au) which facilitate the conversion of financial securities into cash for donations to Deductible Gift Recipient charities.

JBWere recommends that consideration be given to the establishment of a stand alone form of Public Ancillary Fund designed for the specific needs of the Charitable Endowment and Community Foundation forms of Public Ancillary Funds as defined above in this paper.

Both these forms of Public Ancillary Funds are predicated on an endowment model of Philanthropy, which is an important part of the legal framework to promote greater private Philanthropy in Australia.

We are calling for specific consultation with stakeholders including Philanthropy Australia and other existing private and not for profit service providers to give consideration to how such a structure could be created to ensure;

- that the highest standard of Governance is achieved
- the growth of a Social Capital pool to provide finance for the community sector and the creation of a stable and growing income stream
- increased competition and innovation by service providers to this form of Public Ancillary Fund
- portability of capital between service providers

Such a structure would be similar in governance and philosophy to the Private Ancillary Fund, in that there is not separation of control from the donor. This would have the desired outcome of encouraging private philanthropy at a smaller scale. It would also address some of the legal impediments that some would argue restricts the portability of funds between Private Ancillary Funds and Public Ancillary Funds and vice versa. We refer you to our previous correspondence with the Assistant Treasurer's office from July this year for more detail of this argument (a copy is attached to this submission).

As international experience would suggest this could lead to very significant increases, in dollar terms, of planned giving from a much larger pool of donors than currently is the case. We would refer you to the Fidelity Gift Fund (www.charitablegift.org) which was formed in 1999 and is now one of the largest philanthropic funders in the United States.

We are very concerned that the planned giving or endowment models of Public Ancillary Funds and the community support they provide has not been captured in this discussion paper. It is important that any reform of the regulatory framework of Public Ancillary Funds is only considered in the context of understanding how Public Ancillary Funds have been used historically.

Public Ancillary Funds can provide great support to the community by continuing to have the ability to grow their endowments over time while providing significant short term support. We believe a payout rate of 5% of a Public Ancillary Fund's assets (valued annually as at 30 June) and paid out within 12 months may NOT, in all cases, achieve this balance.

In particular we believe changes to mandated distribution rates need to be considered very carefully in the context that increasingly 'Social Investments' are being made where all or part of the return may be 'social' rather than financial. For example Social Investment Bonds where the headline coupon paid on capital, can result in a financial return that may be less than other traditional returns. We would argue that such investments are quite appropriate as part of a diversified investment portfolio of a Public Ancillary Fund, and furthermore should be encouraged from these funds which are potentially a significant source of social capital, very much in the communities best interest.

We do not believe a minimum size should be established for Public Ancillary Funds. This is especially true as a charitable endowment fund (CEF) form of a Public Ancillary Fund is especially attractive for those who do not have the philanthropic means to establish a Private Ancillary Fund.

We believe providing the ability for trustees to roll a Public Ancillary Fund into a Private Ancillary Fund, and vice versa, assures sufficient incentive for economically sensible decisions to be made without affecting tax revenues or distribution levels. For example those considering establishing a Private Ancillary Fund, but who cannot satisfy the minimum capital requirements at a certain point in time are able to commence a planned giving strategy now via a Public Ancillary Fund rather than putting it off to a later date or in some cases not acting at all. We would also argue that the ability for potential trustees to roll funds at the recommendation of an individual donor from one Public Ancillary Fund into an alternative Public Ancillary Fund would provide additional flexibility.

We believe that making it compulsory for Public Ancillary Funds to provide summary information on their revenues, expenses (including fundraising costs) would be useful to the public and would further overall community sector support. However, great care and thought would need to be taken to ensure that a consistent standard chart of accounts and reporting format is in place to fairly accomplish this goal.

Simplifying the operation of Public Ancillary Funds and making (keeping) them attractive to potential donors will add greatly to community support and the continued growth of philanthropy in Australia over the coming decades.

Education of Public Ancillary Fund trustees, Government and even the general public on the diversity, opportunities, compliance and care of Public Ancillary Funds is absolutely critical to the success of this form of philanthropy. We would encourage the utilisation of Philanthropy Australia to collect appropriate data and distribute educational material that would inform those involved with Public Ancillary Funds to endure compliance and best practice.

Section 2: JBWere’s Experience and Observations around Philanthropy and Public Ancillary Funds

JBWere is a financial services organisation that provides wealth management and advisory services to a broad range of private individuals and families, businesses, non-profit and corporate clients. As a joint venture between National Australia Bank (NAB) and Goldman Sachs and Partners Australia Pty Ltd. JBWere has access to NAB’s broad suite of banking, funds management and trustee services, and more particularly those focused on servicing the community sector. In addition JBWere has access to Goldman Sach’s worldwide network which has far-reaching capabilities that extend into global markets including in particular their expertise in providing philanthropic advice and product to clients in international markets.

The JBWere Philanthropic Services team aims to encourage mutually beneficial relationships between our clients, individuals and families, businesses and their respective stakeholders (i.e. employees, customers and shareholders), and the community sector.

The principal aims of the Philanthropic Services team are to:

- promote philanthropy broadly, and where appropriate, incorporate philanthropic planning into the wealth management strategies our clients
- assist charitable, cultural, sporting, member organisations and other non-profits in the management of resources, utilising sound investment principles, whilst understanding the special requirements of these non-taxpaying entities to ensure these organisations’ ongoing sustainability. This includes helping to establish relationships with potential supporters who may be able to provide ongoing support.
- work with private and public businesses to assist them in establishing and managing socially responsible strategies and to build appropriate relationships with philanthropic and non-profit organisations

- support external financial organisations, dealer groups and independent financial planning firms to educate and service their clients about the most appropriate philanthropic structures and where possible provide appropriate advisory and product solutions.
- explore and support innovative ways to put funding into the community through the use of a variety of Social Investment alternatives.

Experience with Public Ancillary Funds

In conjunction with our Private Wealth Management business, the Philanthropic Services team (refer Appendix 1) has extensive experience in the provision of advice to clients regarding:

i. how Public Ancillary Funds and other structured giving options (Private Ancillary Funds, bequests) can be utilised to support the community;

ii. issues around the establishment of Public Ancillary Funds and Private Ancillary Funds;

iii. ongoing management of Public Ancillary Funds and Private Ancillary Funds and incorporating them, where appropriate, into the funder's overall wealth management; and

iv. managing the relationships between Public Ancillary Funds and Private Ancillary Funds (grant makers) and non-profit "doing charities" (grant seekers) looking for support.

The JBWere Charitable Endowment Fund (formerly the Goldman Sachs JBWere Charitable Endowment Fund) was established as a Public Ancillary Fund in May 2007. We have included the Information Memorandum on our Fund as part of this submission.

This structure is attractive to donors for whom a Private Ancillary Fund may not be suitable, given the larger amount of capital required and/or the greater level of direct involvement that the administration of a Private Ancillary Fund requires of the donor.

We believe we are placed in an informed and qualified position to respond to Government's request for submissions and comments on "Improving the Integrity of Public Ancillary Funds", in regard to the **charitable endowment fund** use of a Public Ancillary Fund. Therefore we are limiting our comments to this form of Public Ancillary Fund and don't intend these comments to apply to other forms of Public Ancillary Funds (defined above).

Further to that, we believe that the characteristics, needs and uses of the other forms of Public Ancillary Funds need to be independently considered by the Government as part of its reform process to minimise unintended consequences and insure that subsequent recommendations are appropriate for each type of Public Ancillary Fund.

The Government is to be applauded for its ongoing reforms in areas such as the regulations effecting trustees, the national fund raising review and the governance of the non-profit sector. We believe any reforms of the regulatory framework of Public Ancillary Funds should be considered in line with these existing reviews.

Please note that the rest of this paper will deal with issues, opportunities and opinions on the charitable endowment fund type of Public Ancillary Funds only.

Philanthropy and the Need for Public Ancillary Funds in Context

Stepping back for a moment, since their inception in 2001, Private Ancillary Funds have proved to be a successful initiative of Government to promote a growing culture of philanthropy in Australia. Funded primarily by private donors and supported by the incentive of a tax deduction, Private Ancillary Funds have created an endowment pool currently estimated to be $1.5 billion.

However, as mentioned above, not all donors can set up a Private Ancillary Fund as a means to structured giving. JBWere recommends that those who are considering establishing a Private Ancillary Fund (families, individuals, businesses) have a commitment of at least $500,000 to make the establishment of a Private Ancillary Fund viable. This is due to both the start up costs and the ongoing fees (including an annual audit, tax form filings, and investment management and trustee costs).

Many donors cannot make this initial financial commitment or don't want the responsibility associated with the establishment and ongoing administration of a Private Ancillary Fund. In these circumstances a **Public Ancillary Fund**, such as the JBWere Charitable Endowment (CEF), is a more appropriate option. A charitable management account within our CEF can be opened with a minimum initial donation of $20,000. This represents a significant difference in financial commitment, to that of a Private Ancillary Fund.

In addition we would note that we have donors and potential donors to the JBWere CEF who have or intend to make donations greater than $500,000 who are choosing this option as they do not want to take on the responsibility for the administration of a Private Ancillary Fund.

It is overwhelmingly in the community interest that any action that creates further incentive to increase the scale of both Public and Private Ancillary Funds and to generate additional irrevocable gifts to be encouraged.

It is important that the creation of these ongoing endowments (whether $20,000 or $2,000,000) and the associated long term (perpetual) income stream provided to the community, whether in the form of Private Ancillary Fund or a Public Ancillary Fund, are recognised as significant and valuable community assets. Additionally, we know that when such structured giving vehicles are set up, they lead to further regular gifts and more engaged philanthropic and community engagement including support for emerging Social Investment opportunities currently being encouraged by both state and federal governments. This is especially important as giving by individuals far outweighs all other non-government sources of external funding for the community sector.

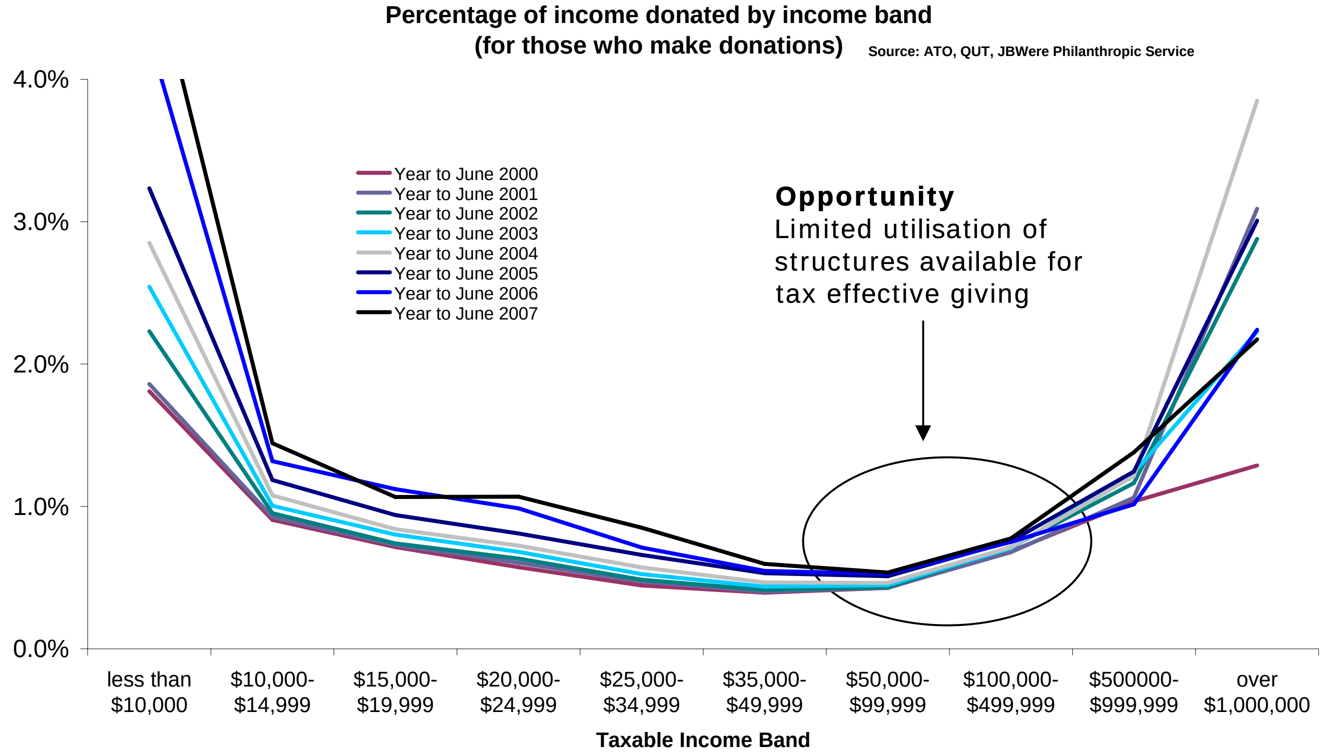
Giving in Australia

There is no doubt the emergence of the Private Ancillary Funds structure in 2001 has attracted significant additional financial resources to philanthropy and Social Investment in Australia.

We believe a similar argument that was used to support the creation of the Private Ancillary Fund structure can be used to support the increased use of the endowment type of Public Ancillary Funds.

The Private Ancillary Fund has been a particularly relevant structure to donors whose taxable income in any year is above $500,000. As shown in Chart 1, those in the upper income bands have taken advantage of this new structure. Historically, giving at the upper income levels has not matched those of other western developed economies. However, the emergence of the Private Ancillary Funds has provided a means to close this generosity gap with the percentage of taxable income given rising in all post Private Ancillary Fund years above the level given in June 2000 (light blue) prior to Private Ancillary Funds being available.

Chart 1



The opportunity in Australia is for donors with annual incomes below $500,000 to have access to a simple well governed structure that can support their desire to create a planned giving strategy for their philanthropy. Givers in the $35,000 to $500,000 annual income band are increasingly looking to the charitable endowment fund type of *public ancillary funds* as a serious choice for managing their giving. Any change in policy that reduces the incentive or rationale for establishing a sub-account within a Public Ancillary Fund will lead to a reduction in this form of giving and therefore total levels of funding to the community.

Long Term Value of Public Ancillary Funds

Public Ancillary Funds have been supported since inception due to:

i. the Public Ancillary Fund structure being a tax effective mechanism that has encouraged planned giving. Gifts to a Public Ancillary Fund are proving to be an attractive alternative to giving that may otherwise have been ad hoc or reactive, resulting in the creation of an asset that will benefit the community over the long term;

ii. their attraction to donors who have created wealth in a strong economy which has subsequently increased their capacity to give and their confidence to set aside substantial assets in the form of irrevocable gifts for the communities benefit; and

iii. their ability to promote a longer term and more engaged relationship between grant maker and grant seeker providing more thoughtful and longer term support of community and charitable projects and organisations.

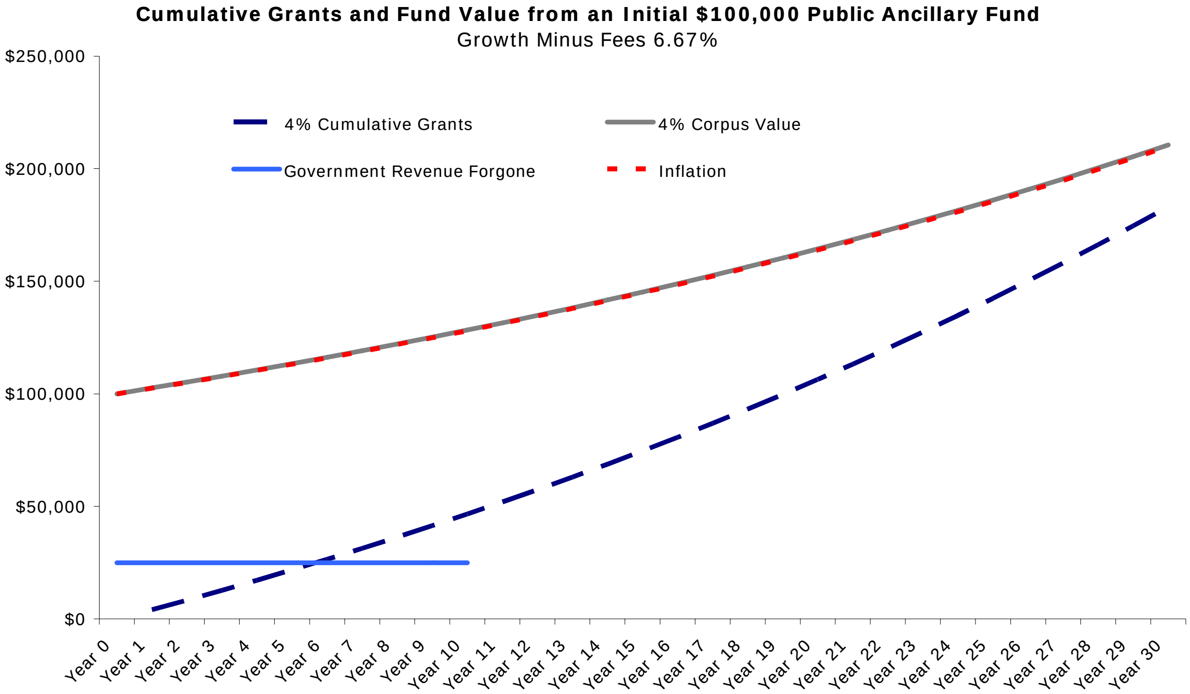
In assessing the true value of a Public Ancillary Fund over its life, we need to consider both the value of long term distributions from Public Ancillary Fund and the movement in capital value of the underlying capital base, established by the irrevocable gift into a long term endowment which creates a significant community asset.

We think it is important to draw the distinction between accumulation for no community benefit and accumulation that enables the preservation of the real value of the underlying corpus resulting in the generation of a growing and perpetual income stream.

We include below an example of what an appropriate payout rate may be for the charitable endowment fund type of Public Ancillary Funds. We would note the following points:

- The 4% distribution rate is based on the asset value of the fund at a point in time (say, 30 June).
- Our analysis uses an 8.5% p.a. average total investment return (including rebate of franking credits) and a 1.83% p.a. total for costs (representative of the costs incurred by the JBWere Charitable Endowment Fund).
- An inflation rate of 2.5% p.a. is assumed.
- We have used an initial $100,000 donation to the CEF and calculated cumulative grant pay out (dotted blue line) and corpus value (solid grey line) over the first 30 years of the trust (which will grow in line with inflation).
- We have also shown the revenue foregone by Government from the initial gift of $100,000 at the top marginal tax rate (in light blue).
- The 4% payout rate ‘repays’ the tax foregone quickly - in the 6th year.
- The graph shows that the corpus can only keep its value equal to the rate of inflation (ie that the value of the corpus remains constant taking into account a 2.5% average rate of inflation) over time at a 4% annual payout rate.
- Payouts greater than the 4% of the value of the asset will result in a diminishing corpus and payout over time. As such, this will discourage the use of these charitable endowments.

Chart 2



Source: JBWere Philanthropic Services

It also should be noted in any discussion on what is an appropriate distribution or payout ratio, that increasingly Social Investment opportunities are being brought to the market with encouragement of both Commonwealth and State Governments. The capital donated into Public Ancillary Funds is ideally placed to be invested in such opportunities. It is important that flexibility is retained in any mandated distribution rates such that Social Investment is not excluded. For example, should the capital of a Public Ancillary Fund be invested in a Social Investment Bond that offers investors a discounted rate return whilst simultaneously providing non-profit organisations access to capital at a below market rates, the outcome would be:

- less income for the Public Ancillary Fund;
- a significant social return for the Public Ancillary Fund; and
- greater access to capital for non-profit organisations.

Such Social Investments have to be considered when considering mandated distribution rates, to encourage and facilitate appropriate amounts of the allocation of capital from Public Ancillary Funds to these emerging investment opportunities which could to provide substantial social benefits above and beyond any annual distributions.

Section 3: Detailed Response to each Consultation Question Raised in the Discussion Paper

Principle 1 – Public Ancillary Funds are philanthropic

2.1.1 Required distributions

What is an appropriate minimum rate for a public ancillary fund and why?

JBWere Response: We believe an appropriate payout rate should not exceed 4% of the capital of the fund annually, as:

i. from an investment perspective, a maximum of 4% is sustainable through the long term business cycle and would provide a growing income stream while allowing the real value of the underlying corpus to be maintained (see analysis above). This differs from Private Ancillary Funds at 5% annually as there are additional costs associated with the management of smaller, individual sub-funds within a charitable endowment fund type Public Ancillary Fund;

ii. another alternative supported by JBWere is to leave the current distribution requirements as they are. That charitable endowment type Public Ancillary Funds pay out 80% of income earned. Our internal analysis would also show that this distribution requirement would allow the Public Ancillary Fund to exist in perpetuity and would allow annual distributions and the value of the corpus to exceed inflation;

iii. it provides a long term consistent and growing funding stream for the community sector, leading to more consistent and effective grant making and relationships with the community sector. Another way to say this is that the threat that a Public Ancillary Fund cannot exist in perpetuity, will deter donors from utilising this alternative.

iv. increasingly Social Investments are being offered that deliver both social and financial returns. Any limitation of return definition to purely financial return, would limit available capital allocation to emerging Social Investment opportunities.

Some consideration should also be given to how costs incurred in running a Public Ancillary Fund are treated. While minimisation of costs should be encouraged, a professional approach to investment management, trustee management and grant making suggests reasonable expenditure should enhance the charitable outcome. An allowance for these costs should be considered. Including costs in the distribution rate (as is done in the US) would add some complexity due to definitions and calculations of those costs but may also need to be a consideration. Leaving distributions as gross payouts means an extra investment return above CPI is needed to maintain the real value of the fund.

One of the ways that costs within a Public Ancillary Fund could be minimised would be to allow for portability of Public Ancillary Funds to other Public Ancillary Funds and Private Ancillary Funds. The logic to this is that increased competition among providers and increased demand for Public Ancillary Funds would be expected to put downward pressure on fees.

2.1.2 Regular Valuation of Assets at Market Rates

Are there any issues that the Government needs to consider in implementing the requirement to ensure public ancillary funds regularly value their assets at market rates?

JBWere Response: If the Government chooses to require a minimum payout based on the value of the assets, we believe the Government needs to consider the costs and practicalities of valuing some unlisted or less liquid assets within a Public Ancillary Fund. In the case of physical property, or some investments within alternative asset classes, which may be appropriate for longer term endowment investors, annual valuation may create an additional cost and administrative burden that is undesirable for Public Ancillary Funds. We would support these alternative assets and land plus physical property be valued every 3 years.

In addition, where the assets are providing a significant social return directly (program related investing - e.g. an interest free or low interest loan to a DGR made by a Public Ancillary Fund), some consideration will need to be given to valuing that social return as part of the annual distribution.

Are the valuation rules that apply to private ancillary funds also appropriate for public ancillary funds?

JBWere Response: As mentioned briefly above, we support the current valuation rules on assets inside Private Ancillary Funds currently.

2.1.3 Increased Accountability

Are there any issues with requiring public ancillary funds to lodge a return?

JBWere Response: We believe that Public Ancillary Funds should report their financial activities and position to the Australian Tax Office (ATO) or other appropriate regulatory body that monitors the activities of the non-profit sector. JBWere is aware that the Government has agreed with the findings of the Productivity Commission as to the need for a national register and regulator of the sector. JBWere supports the view that this type of national body would streamline the regulatory burden and reporting on the sector. Therefore, it would make the most sense for a standardized reporting (return) to be developed as part of the implementation of this national oversight body. Again, this would be preferable as there is inconsistency in the reporting required by state currently. Moreover, an approved and standard chart of accounts needs to be adopted for all reporting requirements.

Additionally, JBWere would recommend that this national oversight body also be the point of contact for non-profits in terms of registering as a fundraising entity (i.e. to procure a fundraising license).

Are there any issues with imposing greater public disclosure requirements on public ancillary funds? What information should remain confidential and what information should be disclosed and why?

JBWere Response: We acknowledge the transparency and accountability obligations of Public Ancillary Funds, especially noting the tax concessions that donors receive as part of the incentive to establish such a structure.

The two issues around disclosure are, “to whom” should that accountability and transparency be and what would be the impact of expanding the current level of contactability of donors to Public Ancillary Funds and the public.

In our view, the obligation to be transparent and accountable should be to the taxpayer via the ATO or other area of Government with regulatory oversight of the community sector. As is the case now, Private Ancillary Funds have certain reporting requirements that are amongst the most regulated of any in the community sector. That is not to say more information should not be made available as required by the ATO and any other proposed Charitable peak bodies, or research bodies i.e. Centre for Social Impact or The Australian Centre for Philanthropy and Non-Profit Studies at the Queensland University of Technology, who provides excellent analysis of tax deductible giving and Private Ancillary Fund statistics. Access to such information would be very helpful in creating aggregated data which would assist in the analysis and measurement of philanthropic activity. Indeed we would encourage a broader collection and distribution of organised giving data from existing charitable structures to be made available to the public, in aggregate form, as is currently done for Private Ancillary Funds. We believe the reporting requirements for Public Ancillary Funds of the endowment model type, i.e. Community Foundations and Charitable Endowment Funds should be consistent with Private Ancillary Funds.

Just as we don’t believe that all Private Ancillary Funds should be forced to individually disclose this information to the broader public, similarly we would recommend that Public Ancillary Funds should be required to report in aggregate, but not at the individual donor level. Those individual donors that are of a size and inclination to publically disclose their activities are able to do so currently and could be encouraged to voluntarily do so in the future. However, for the majority, the balance of cost versus benefit that specific donor disclosures would create needs to be considered.

Where donors to Public Ancillary Funds contribute funding to particular areas of focus (which can make good sense on policy and efficiency grounds) are forced to disclose this activity, our observation is that charities from unrelated areas will continue to expend their resources to appeal to these donors for funds, regardless. This is not in the interests of the charities or the individual donors to Public Ancillary Funds.

The potential benefits of public disclosure are that donors to Public Ancillary Funds may receive information which helps in their grant decision making process. However we believe this could be achieved more efficiently through a centralised “charity commission” body which we understand is also being considered by Government in a separate study.

There may be some benefit in either Government or a peak body such as Philanthropy Australia providing a recommended template for those donors to Public Ancillary Funds who voluntarily wish to become public but only to the extent of providing details of their scale, areas of interest and preferred contact details.

We believe that Public Ancillary Funds should be required, as they are soliciting funds from the general public, to disclose a standardized minimum amount of information. However, regulation of this activity may be more appropriate via reformed fund raising regulation than via the ATO.

In the United States every entity that has the equivalent of Australia’s Deductible Gift Recipient (DGR) status (these entities are known as 501(c)(3)) is required to make its tax filing information available to the public. This tax form contains information on annual revenues, expenses, fundraising costs and net profit/deficit, among other disclosures.

To make an equivalent reporting meaningful to the public here in Australia, Public Ancillary Funds would also need to elect to have a standard chart of accounts and consistent way to classify all revenues and expenses.

Principle 2 – Public Ancillary Funds are trusts that abide by all relevant laws and obligations, and are open, transparent and accountable

2.2.1 & 2.2.2 Current Regulatory Powers/Increasing Regulatory Powers

JBWere Response: For all following questions and discussion points we would like to support the responses of Philanthropy Australia, and refer to their submission.

Is the administrative penalty regime (including magnitude of penalties) that applies to private ancillary funds suitable for public ancillary funds?

Are there any difficulties in requiring public ancillary funds to have a corporate trustee?

Are the rules for suspension or removal of trustees or private ancillary funds suitable for public ancillary funds?

What fit and proper person requirements should be imposed on trustees of public ancillary funds?

2.2.3 Transitional Rules

What transitional arrangements are required for existing public ancillary funds to conform to the new arrangements?

Principle 3 – Public Ancillary Funds are Public

2.3.1 Public Fund

Should the term 'public fund' be codified in the guidelines in accordance with the principles set out in ATO taxation Ruling TR 95/27?

Principle 4 – Public Ancillary Funds are Ancillary Funds

2.4.1 Public Ancillary Fund investment rules should ensure liquidity and low risk

Can the investment risk minimization rules that apply to private ancillary funds be suitably applied to public ancillary funds?

Appendices

Appendix 1

Letter to Senator Nick Sherry (dated 13 July 2010) regarding regulation of Public Ancillary Funds

Appendix 2

JBWere Charitable Endowment Fund – a Public Ancillary Fund