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Dear Sirs

I am a Director of the Stand Like Stone Foundation based in Mount Gambier, SA 5290 as well as being a substantial donor. I write to express support for Philanthropy Australia's submission to the Treasury discussion paper, 'Improving the Integrity of Prescribed Private Funds'.

I welcome the opportunity to provide comment on the paper. In relation to Philanthropy Australia's response, I would especially emphasise the following points.

- Prescribed Private Funds have been a critical part of the further development of a culture of giving in Australia.
- These extend further than the provision of funds for not-for-profit organizations and for generous support to the community.
- The structure has facilitates an enhanced culture of giving.
- Donors are more motivated towards long term community engagement, and their time, skills and understanding and a focus on outcomes which enables the community and not-for-profit organisations to use such additional financial support more effectively.
- An outcomes and long term based approach seems much more effective in addressing long term and entrenched community problems
- The Foundation movement based on the capital Invested method has proven that this is a most effective method of supporting the community in the long term, by the use of income only, providing funds in the long term which gives significantly more income in time to NFPO's, and provides a more assured and reliable income stream which has the potential of reducing marketing administration costs of NFPO's potentially, thus a similar approach to PPF's seems most desirable.

There is a broad spectrum of giving styles, from immediate relief to long term projects which address entrenched problems and take a long term approach. The Invested Capital model allows a long term approach which is the only way to combat long term and entrenched community problems. Short term approaches in my view only address day to day welfare issues, they never address root causes nor ways of alleviating the need for welfare, and by constantly funding welfare, maybe entrenches it because base core reasons for the community problems are never addressed.

By funding long term, one can address the core issues causing the need for day to day welfare support, and in the long term striving to reduce welfare dependence.

Allowing PPF's to maintain and keep their capital and to only distribute the major part of income is in my view, the most effective long term policy as it allows long term financial and other supports to community issues. From time to time, the PPF might distribute more than income to meet a short term need in the community but that decision should be at the discretion of the PPF and not legislated.

To require distributions of 15% pa, in my view, simply defeats the reason for PPF's by in time destroying the corpus of capital, from which income is derived, and eventually diminishes the capital so much that the PPF simply dies and has only liquidation left which ends this valuable source of charitable and community assistance.

To require distributions of 15% also might discourage wealthy private persons from going into organized giving where they can add their personal inputs and skills and outcomes intentions, and thus reduce charitable giving because the Federal Government simply gives a wrong signal.

Philanthropy with diversity and flexibility provides a unique ability to operate across sectors and to develop innovative solutions. The ability of PPFs to maintain the real value of the foundation's capital over time is crucial for the generating of reliable income streams over the long term and thus a sustained and substantial grants stream either in the long term or even in perpetuity..

Any simplification of the process for establishing a PPF and clarification of the guidelines is welcome as this can allow PPFs to operate confidently and without uncertainty.

I commend the Government for undertaking this review of PPF Guidelines. It is important for the community, individuals and the government to work together towards a more generous and inclusive community. Any obstruction, uncertainty or impediment to PPF's, Foundations and privately funded charitable works only serves to put more of the burden and onus, and therefore cost, on the government.

Sincerely



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