

13 January 2009

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

By email: ppfreview2008@treasury.gov.au

Dear Sir/Madam

Improving the Integrity of Prescribed Private Funds ("PPFs") Discussion Paper

I refer to the Treasury's November 2008 Discussion Paper relating to Prescribed Private Funds.

I am writing on behalf of Sydney Opera House to express our full support for the submission made to Treasury on 23 December 2008 by the Balnaves Foundation and other representatives from the philanthropic sector. The submission responds to the Treasury's Discussion paper relating to PPFs and asks that that the legislative framework in Australia support, rather than discourage, philanthropic giving.

In our experience, philanthropic giving is nurtured through long standing relationships between the philanthropist and the beneficiary. These relationships can take years to develop; philanthropic gifts usually start small and increase as the relationship develops and one off, unsolicited, philanthropic gifts of significant value are extremely rare. The majority of philanthropists give to those organisations they feel they can actively engage with on an ongoing basis, and make a tangible difference to.

In addition, a PPF is often a family affair; often parents establish the foundation with the full intention of passing the responsibility on to their children and future generations. This, by default, means that relationships between philanthropists and their beneficiaries can last beyond just one generation.

On-going gifts are therefore greatly valued by Sydney Opera House because:

1. they are the most likely form of philanthropic giving; and
2. they provide regular and consistent funding for on-going projects – enabling Sydney Opera House to commit to a public program or a series of concerts or events for the long term, rather than trying to operate with the uncertainty of funding for key programs.

The Balnaves Foundation, for example, supports our community access program by subsidising the cost of tickets to certain performances - enabling low income individuals and families to attend events at Sydney Opera House – in the most cases for the first time in their lives. This week, for example, we had 800 people from a range of community groups such as Hope Street Urban Compassion, Barnados and Tharawal Aboriginal Corporation to see the show *Le Grand Cirque, Aerial Dreams* – an acrobatic circus event in the Concert Hall.

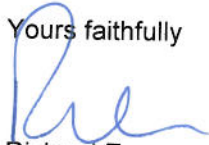
For the reasons outlined above, Sydney Opera House supports the following proposals:



1. that the PPF should feel confident that the fund will continue in the long term. In order to achieve this there should not be a mandatory requirement to distribute any more than 5% of its net assets each year;
2. that PPFs should not be required to publicly provide their contact details, as this would impose an unreasonable administrative burden in dealing with requests from potential candidates. Importantly, it overlooks the fact that most giving is done through direct relationships and at the behest of the philanthropist; and
3. that PPFs should not be limited to those that can afford a \$500,000 corpus – if there must be a minimum then perhaps a \$50,000 minimum would be more appropriate.

Sydney Opera House is grateful to the Commonwealth Government for the initiatives that it has introduced in recent years which aim to encourage philanthropic giving in Australia. These measures have greatly increased philanthropic giving and many PPFs have been established. We would urge your office to only implement additional measures that encourage, rather than discourage, philanthropic giving to preserve what has become a key source of funding for Sydney Opera House and other arts organisations, as well as the entire not-for-profit sector.

Yours faithfully



Richard Evans
Chief Executive