



ACPNS Mission

To bring to the community the benefits of teaching, research, technology and service relevant to the philanthropic and nonprofit communities.

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Tax Deductible Giving in 2007 - 2008

Each year The Australian Centre for Philanthropy and Nonprofit Studies (ACPNS) at QUT analyses statistics on tax-deductible donations made by Australians in their individual income tax returns to Deductible Gift Recipients (DGRs). The information presented below is based on the amount and type of tax-deductible donations made by Australian taxpayers to DGRs for the period 1 July 2007 to 30 June 2008 extracted from the Australian Taxation Office's publication *Taxation Statistics 2007-2008*.¹

The figures presented below only represent those amounts donated and claimed as a tax deduction by individual Australian taxpayers in their individual income tax returns. It does not include giving by corporate and trust taxpayers, "non-tax contributions" such as raffles, sponsorships, fundraising purchases or volunteering. 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 \$300m).²

The following is a summary of the significant findings from the ATO data.

1. How much was claimed as gift deductions?

- The total amount donated and claimed as tax-deductible donations in 2007-08 was \$2.35 billion (compared to \$1.89 billion for the previous income year). This constitutes an increase of \$461 million (or 24.5%) from the previous income year.³
- Deductible gifts claimed (\$2.35b) represented 7% of all personal taxpayer deductions (\$33.58b). In comparison, Australian taxpayers claimed 5% (\$1.68b) of all personal taxpayer deductions in tax agent fees and 48% (\$16.1b) of all personal taxpayer deductions for work related expenses.

2. Is tax deductible giving keeping pace with inflation?

- Using a base year of 1978-79, the actual total tax-deductible donations made by Australian taxpayers far exceeds the inflation-adjusted total tax-deductible donations as measured by the Consumer Price Index (CPI) (see Chart 1 overleaf).

3. Is the average gift deduction increasing?

¹ The data represents information in tax returns for the 2007-08 year processed by the ATO as at 31 October 2009.

² Report available at <http://www.bus.qut.edu.au/research/cpns/publications/>

³ The 2008 figures are those returns entered onto the ATO database as at 31 October 2009. The 2008 figures are likely to alter over the next couple of years as more returns are processed. The 2007 comparison figure is that at 31 October in the preceding year for comparison purposes, although revised figures are now available in the full working paper.

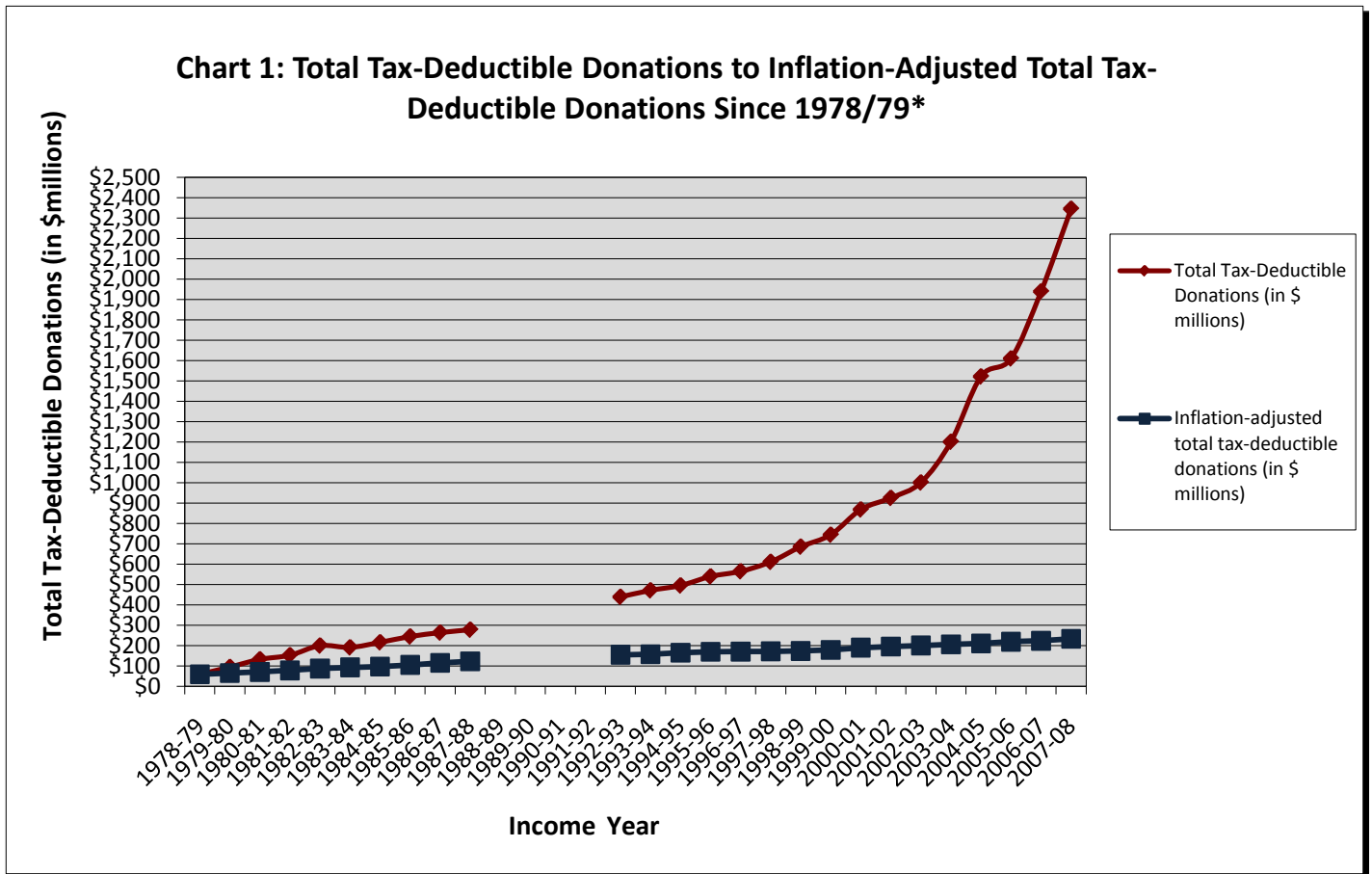


- The average tax-deductible donation made and claimed by Australian taxpayers to DGRs in 2007-2008 was \$523.10 (compared to \$440.01 in the previous income year). This average amount is two and a half times that of a decade ago.
- 4. Are more individual taxpayers making deductible gifts?**
- In absolute terms there was an increase in individual taxpayers making deductible gifts in 2007-08 (4.48 million compared to 4.28 million in the previous year). However, in terms of percentage of Australian taxpayers making deductible gifts there was a decrease (35.47% for the 2007-08 compared to 36.30% in the previous year).
- 5. Is a greater percentage of an individual's taxable income being gifted?**
- Yes. On average, those individual taxpayers who make tax-deductible donations to DGRs donate approximately 0.43% of their taxable income. This trend has been sustained over the past decade from a starting point of 0.22%.
- 6. Are male or female taxpayers more likely to claim deductible donations?**
- In 2008-08, 2,257,865 million males (or 34.47% of male Australian taxpayers) made and claimed tax-deductible donations to DGRs of \$1.2 billion. This represents 51.24% of the total tax-deductible donations made and claimed in 2007-08. A total of 2,226,085 million females (or 48.76% of female Australian taxpayers) made and claimed tax-deductible donations to DGRs totaling \$1.15 billion in 2007-08. The combined average was 35.47% of all Australian taxpayers.
 - The average tax-deductible donation made and claimed by Australian male taxpayers to DGRs in 2007-08 was \$532.33 (compared to \$513.74 for Australian female taxpayers).
 - On average, female Australian taxpayers who donate to DGRs give approximately 0.54% of their taxable income compared to 0.35% for Australian males.
- 7. Which state's taxpayers claim the most deductible gifts?**
- A total of 1,337,925 million taxpayers in **New South Wales** claimed tax-deductible donations to DGRs of \$1.05 billion in 2007-08. This amount represented almost 49.06% of the national total. The next largest donor state was **Victoria** whose taxpayers made and claimed tax-deductible donations to DGRs of \$472.67 million, representing less than 22% of the national total. **Queensland** taxpayers claimed \$278.5 million in deductible gifts, followed by **Western Australia** with \$151.44 million.
 - **New South Wales** taxpayers made and claimed the largest average tax-deductible donation to DGRs of \$788.23 compared to the national average of \$523.10. **Tasmanian** taxpayers made the next highest average tax-deductible donation to DGRs with \$513.07, followed by the **Australian Capital Territory** with an average tax-deductible donation of \$454.93 and in **Victoria** \$433.49. **Queensland** taxpayers made and claimed an average tax-deductible donation of \$371.08 in 2007-08.
 - Taxpayers in **New South Wales** donated an average of almost 0.60% of their taxable income to DGRs, followed by **Tasmania** (0.41%), **Australian Capital Territory** (0.38%), and **Victoria** (0.37%). This compares to the national average of 0.37%. Taxpayers in **Queensland** donated an average of 0.28% of their taxable income.
- 8. How much do the wealthy claim as deductible gifts?**
- The more one earns, the more one claims as a tax-deductible donation. Whilst the average tax-deductible donation was \$523.10 in 2007-08, donating taxpayers with a taxable income over \$1 million per year claimed an average of \$102,543.08 (previous year was \$48,548.66) in tax-deductible donations. This represents 2.89% (previous year 1.37%) of their taxable income, compared to the national average of 0.43%.



The Rise in Tax-Deductible Donations

Over the past five years tax deductible giving has increased by an average of nearly 15% per annum due in part to the incentives to encourage philanthropy such as Prescribed Private Funds (now Private Ancillary Funds) and a strong Australian economy



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

Chart 1 above shows that the actual total tax-deductible donations made by Australian taxpayers since 1978 far exceeds the inflation-adjusted total tax-deductible donation as measured by the Consumer Price Index (CPI).



Tax Deductible Gifts by Postcode

Table 1 identifies the postcode in each state with the **highest total claimed** deductible gift amount in each state and territory. Again, a clear link can be made in most cases to postcodes which one would expect to contain significant numbers of wealthy taxpayers. This year in NSW Darling Point/Point Piper was replaced by Mosman and In Queensland the Gold Coast with the Sunshine Coast.

Table 1: Highest TOTAL Gifts Claimed by Taxpayers 2007-08 by POSTCODE for each State		
State & Postcode	Places within Postcode	Total gifts claimed (\$)
NSW 2088	Mosman, Spit Junction	315,534,970
VIC 3142	Hawksburn, Toorak	28,016,593
QLD 4567	Castaways Beach, Noosa Heads, Sunrise Beach, Sunshine Beach	22,248,003
SA 5061	Hyde Park, Malvern, Unley, Unley BC, Unley DC, Unley Park	5,173,547
WA 6026	Kingsley, Woodvale	8,533,454
TAS 7004	Battery Point, South Hobart	16,226,017
ACT 2602	Ainslie, Dickson, Downer, Hackett, Lyneham, O'Connor, Watson	4,363,380
NT 0810	Alawa, Brinkin, Casuarina, Coconut Grove, Jingili, Lee Point, Lyons, Millner, Moil, Muirhead, Nakara, Nightcliff, Rapid Creek, Tiwi, Wagaman, Wanguri	1,593,021

Table 2 identifies the postcode in each state whose taxpayers had claimed the **largest average** 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.

Table 2: Highest AVERAGE Gifts Claimed by Gifting Taxpayers 2007-08 by POSTCODE for each State		
State & Postcode	Places within Postcode	Av. Gift per gifting taxpayer (\$)
NSW 2088	Mossman, Spit Junction	41,737
VIC 3944	Portsea	11,712
QLD 4567	Castaways Beach, Noosa Heads, Sunrise Beach, Sunshine Beach	13,862
SA 5354	Bakara, Bakara Well, Fisher, Greenways Landing, Langs Landing, Marks Landing, Naidia, Punyelroo, Sunnydale, Swan Reach	3,665
WA 6078	Marginiup, Pinjar	50,518
TAS 7004	Battery Point, South Hobart	9,630
ACT 2601	Acton, Black Mountain, Canberra, City	1,337
NT 0846	Adelaide River	1,776

The deductible gift data for all Australian postcodes is available through a searchable database on the centre's web site available at <http://www.bus.qut.edu.au/research/cpns/postcode.php>



Tax Deductible Gifts by Occupation

This year for the second time we are able to match occupations declared by taxpayers on their income tax returns with their deductible gifts. Miscellaneous and no occupation categories have been omitted from the tables.

Table 3 identifies the top ten occupations by average deductible gift amount, with 'company representatives – industrial, medical etc.; detailer - medical' making a spectacular debut at the number 1 position.

Table 3: Highest AVERAGE Gifts Claimed by Gifting Taxpayers 2007-08 by OCCUPATION		
Rank	Occupation description	Average gift deduction claimed (\$)
1	Company rep – industrial, medical etc; Detailer – medical	5,864
2	Coroner; Councillor; Judge – law; Magistrate; Member of parliament; Parliamentarian; State governor	2,149
3	Artist; Performing artist	1,773
4	Anaesthetist; Cardiologist; Dermatologist; Doctor – specialist; Gynaecologist; Obstetrician; Ophthalmologist; Orthopaedic specialist; Otorhinolaryngologist; Paediatrician; Pathologist; Psychiatrist; Radiologist; Registrar – medical; Specialist medical practitioner; Surgeon; Thoracic specialist; Urologist	1,703
5	General manager; Managing director	1,495
6	Doctor – general practice; General medical practitioner; Medical practitioner – general practice; Resident – medical	1,430
7	Company director; Executive ; Manager (type unspecified)	1,177
8	Actuary; Mathematician; Statistician	1,098
9	Geologist: Geophysicist	1,005
10	Company secretary – corporate governance	966

Table 4 identifies the top five occupations by total gifts which is influenced by the number of taxpayers in a particular occupation.

Table 4 : Highest TOTAL Gifts Claimed by Taxpayers 2007-08 by OCCUPATION		
Rank	Occupation description	Total gifts claimed (\$)
1	Company director; Executive; Manager (type unspecified)	249,681,149
2	Administrator; Call centre operator; Casino worker; Civil servant; Consultant; Contractor; Customer service officer; Foreman; Planner; Public servant; Supervisor; Team leader (type unspecified in all)	55,183,078
3	Administration assistant; Administrative officer; Clerical assistant; Clerical officer; Clerical worker; Clerk; Office worker (type unspecified)	50,183,078
4	General manager; Managing director	40,822,591
5	Analyst programmer; Applications programmer; Computer consultant; Computer programmer; Computer scientist; Computer systems administrator; Computer systems analyst; Computer systems officer; Database administrator; Information technology officer; IT consultant; IT officer – non help desk; Methods analyst; Programmer; Software engineer; Systems analyst; Systems programmer	37,868,483



Table 5 identifies deductible gifts as a percentage of income by occupation. New to this list from last year are company representatives – industrial, medical etc; detailer- medical (position 1); and lecturers (position 5).

Table 5: Highest PERCENTAGE gift of Taxpayers Income claiming a Gift 2007-08 by OCCUPATION		
Rank	Occupation description	% of deduction gifts of taxable income
1	Company rep – industrial, medical etc; Detailer – medical	4.56%
2	Chaplain; Clergy – member of; Deacon; Minister of religion; Missionary; Nun; Pastor; Preacher; Priest; Rabbi; Rector; Vicar	1.91%
3	Artist; Performing artist	1.49%
4	Coroner; Councillor; Judge – law; Magistrate; Member of parliament; Parliamentarian; State governor	0.99%
5	Lecturer- university; Professor; University lecturer; University tutor	0.61%

Table 6 depicts the percentage of donating taxpayers to total taxpayers within each occupation, with little change from the previous year.

Table 6: Highest PERCENTAGE of donating taxpayers to total taxpayers 2007-08 by OCCUPATION		
Rank	Occupation description	% of gift taxpayers to total taxpayers
1	Commissioned fire officer; Commissioned police officer; Police inspector	72.88%
2	Investigator – police; Detective – police; Police officer	68.30%
3	Public policy manager	68.14%
4	Education manager; Head of school – TAFE; School principal	65.30%
5	Power generation plant operator	64.15%

The deductible gift data for all occupations is available through a searchable database on the centre’s web site available at <http://www.bus.qut.edu.au/research/cpns/postcode.php>

Electronic copies of the complete working paper ACPNS 51: *An Examination of Tax-Deductible Donations made by Individual Australian Taxpayers in 2007-08* is available from the ACPNS website at www.cpns.bus.qut.edu.au

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