

PAFs– what can you find and how can you find it?

Charlotte Grimshaw February 2021

What is a PAF?

A PAF is a Private Ancillary Fund, an entity established in 2001 as a means for individual philanthropists to structure their philanthropy. The majority of individual and family foundations established in the last 20 years in Australia are PAFs; broadly they may only give to organisations with DGR status. The donor receives a tax deduction on funds as they are contributed to the PAF, not as they are distributed.

At February 2021 there were 1,853 PAFs and 1,354 PuAFs registered with DGR status in Australia.ⁱ

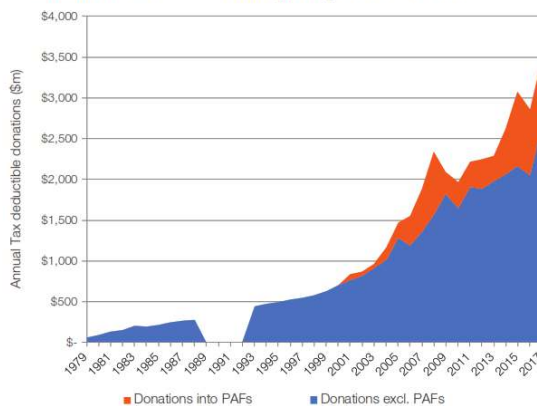
A PuAF (Public Ancillary Fund) is a similar instrument to a PAF, but is required to invite and accept donations from the public. Both types of fund have an obligation to make a distribution of a minimum of a specified percentage of their funds each year; 4% for PuAFs and 5% for PAFs.

Since their establishment in 2001, numbers of PAFs have grown alongside the ongoing growth of higher value individual philanthropy in Australia.

Tax stats tell us that higher value donors (those giving \$25k or more in the year) were responsible for fully **50% of the \$3.7bn in individual giving** claimed for in 2017-18. Yet these donors represent only **0.17% of the total number of those giving**: fewer than 8,000 people in a total of 4.4m donors. A reasonably substantial proportion of this money will be going into new or existing PAFs – including the \$3bn+ with which the late Paul Ramsay founded his PAF through his estate.

The total collective corpus of PAFs isn't known (Philanthropy Australia suggest around \$10bn), but the tax stats can show us how annual contributions into them have grown:

Australian tax deductible giving 1979 -2017



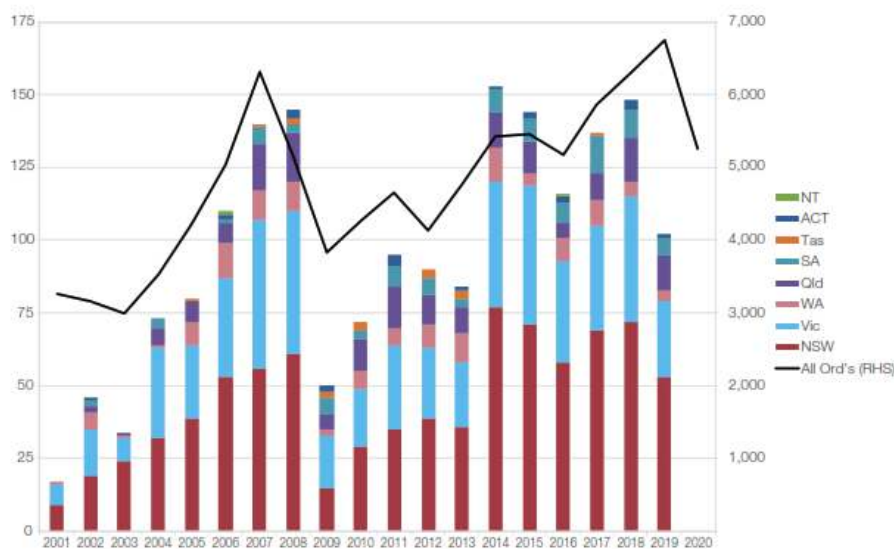
Source – ATO, JBWere Philanthropic Services

Of course, as more wealthy individuals choose to channel their family giving through a PAF, fundraisers have become keen to research these funds to understand whether they may be possible donors to their cause.

In his 2020 report for JBWere, *The Outlook for Philanthropy during Covid-19*, John McLeod notes that this growth may be slowed by financial market instability in 2021 and beyond

“One of the effects of COVID-19’s economic impact is likely to be the rate of establishment of new PAFs which may slow considerably in 2020 and 2021. During the GFC we saw the number of new PAFs established fall considerably and although this was also influenced by the uncertainty surrounding the new PAF guidelines, we can see the strong relationship to equity USA Foundation giving versus equity market falls (US\$ Billion) market in other years in the following chart.”

Annual PAF establishment by year and State versus equity markets



Source – ATO, JBWere Philanthropic Services

The number of new PAFs established in 2020 was indeed down, at about 60% of the numbers for 2017 and 2018, 69% of the number established in 2019; it remains to be seen what the longer term effects of the current situation will be, but the fact is that these funds are an increasingly important source of philanthropic funding.

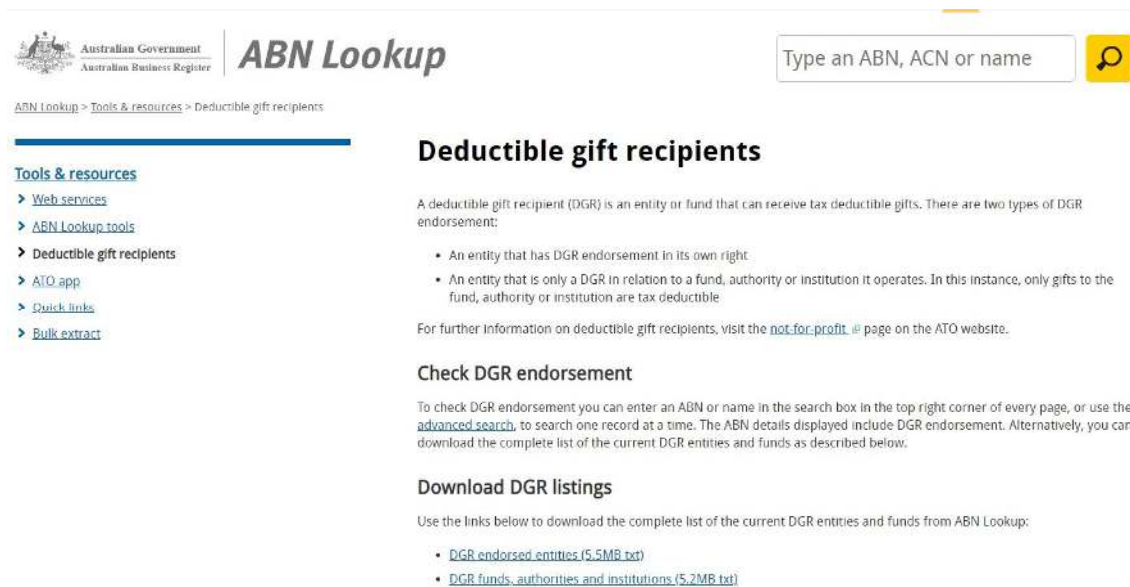
Where is the info?

We'd all like a US Foundation Center-type database where we can look up details and financials of all Australian foundations and funds, and with the advent of the ACNC we have come much closer to it than Australia has ever been, but it has a number of limitations.

What you can find

1. The Australian Business Register

First of all, core information on all organisations with DGR status, including Ancillary Funds, is published by the government Australian Business Register (ABN lookup site)ⁱⁱ. Within that list, PAFs and PuAFs are identified – that's where we get the total numbers registered for each type of organisation, and where we can look for newly established foundations.



The screenshot shows the 'ABN Lookup' website. At the top left is the Australian Government logo and 'Australian Business Register'. The main heading is 'ABN Lookup'. On the right, there is a search box with the placeholder text 'Type an ABN, ACN or name' and a magnifying glass icon. Below the search box, the breadcrumb trail reads 'ABN Lookup > Tools & resources > Deductible gift recipients'. A left-hand navigation menu under 'Tools & resources' includes links for 'Web services', 'ABN Lookup tools', 'Deductible gift recipients', 'ATO app', 'Quick links', and 'Bulk extract'. The main content area is titled 'Deductible gift recipients' and contains the following text: 'A deductible gift recipient (DGR) is an entity or fund that can receive tax deductible gifts. There are two types of DGR endorsement:'. This is followed by a bulleted list: '• An entity that has DGR endorsement in its own right.' and '• An entity that is only a DGR in relation to a fund, authority or institution it operates. In this instance, only gifts to the fund, authority or institution are tax deductible'. Below this, it says 'For further information on deductible gift recipients, visit the [not-for-profit](#) page on the ATO website.' The next section is 'Check DGR endorsement' with the text: 'To check DGR endorsement you can enter an ABN or name in the search box in the top right corner of every page, or use the [advanced search](#), to search one record at a time. The ABN details displayed include DGR endorsement. Alternatively, you can download the complete list of the current DGR entities and funds as described below.' The final section is 'Download DGR listings' with the text: 'Use the links below to download the complete list of the current DGR entries and funds from ABN Lookup:'. This is followed by two bullet points: '• [DGR endorsed entities \(5.5MB.txt\)](#)' and '• [DGR funds, authorities and institutions \(5.2MB.txt\)](#)'.

2. The ACNC

The Australian Charities and Not for Profits Commission was established in 2012 to create a central register for charitable organisations. Registration is voluntary, but charities wanting to access Commonwealth charity tax concessions (and other benefits) must register. This means that all PAFs and PuAFs must register, but it does not mean that they all appear in the ACNC's searchable charity register (we'll get to that later).

A lot of PAFs and PuAFs do appear in the register, and those that do will typically have available:

1. **The governing deed** from the foundation of the PAF: this may include founder and trustee names, but these are often redacted in these documents

2. Annual information statements and financial reports

The screenshot shows a website navigation bar with 'OVERVIEW', 'FINANCIALS & DOCUMENTS', 'PEOPLE', and 'HISTORY'. The 'Annual reporting' section contains a table of financial reports, and the 'Financial overview' section features a donut chart showing income distribution.

REPORT	PERIOD	DATE	STATUS
Financial Report 2021	21 December 2021	Pending	—
Annual Information Statement 2021	11 December 2021	Not yet released	—
Financial Report 2020	31 January 2021	28 January 2021	Download
Annual Information Statement 2020	31 January 2021	28 January 2021	View AFS
Financial Report 2019	31 January 2020	27 November 2019	Download
Annual Information Statement 2019	31 January 2020	27 November 2019	View AFS
Financial Report 2018	7 April 2019	6 April 2019	Download
Annual Information Statement 2018	7 April 2019	7 April 2019	View AFS

Financial overview
 Financial information from the latest AFS
Income
 Total Income: \$2,664,308.00

Donut chart showing income distribution:
 72.26% (Dark Blue)
 27.74% (Light Blue)

These financial documents will always show the total assets of the foundation, how much was donated into it in the particular year, and also the amount distributed, broken down by whether distributed in or outside Australia. **If you're lucky, they may also give a list of donations made and recipients**, as per the example below.

The screenshot shows a table titled 'Trust Income Distribution' for the Montgomery Foundation for the year ended 30 June 2018. The table compares 2018 and 2017 data across various categories.

	2018	2017
Trust Income Distribution		
Current Year Earnings	176,012	354,623
Retained Earnings	2,539,308	2,299,685
Net Trust Income for Distribution	2,715,320	2,654,308
Distributions to Beneficiaries		
Donations - Epworth Foundation	50,000	-
Donations - Goulburn Valley Hospice	26,971	15,000
Donations - MND Association of Victoria	25,000	25,000
Donations - Sovereign Hill Museum	25,000	50,000
Donations - Violet Town Bush Nursing Centre Inc	-	25,000
Total Distributions to Beneficiaries	126,971	115,000
Undistributed Trust Income	2,588,349	2,539,308

3. Trustees ("responsible people")

The screenshot shows the 'Responsible People' section of the Montgomery Foundation website. It includes a header with 'THE MYER FOUNDATION' and a navigation bar. Below the header, there are four boxes, each representing a trustee: Adelaide Badgery, Emily Myer, Hang Truong, and John Daley. Each box includes the trustee's name, title, and a 'View profile' link.

Responsible People
 The role of a "responsible person" is an important one for registered charities, especially in regards to trustee people who are either committee members, or trustees.

- Adelaide Badgery**
Director
[View profile](#)
- EMILY MYER**
Director
[View profile](#)
- Hang Truong**
Secretary
[View profile](#)
- John Daley**
Director
[View profile](#)

4. They may also give contact details, a website, and outline of the foundation's purpose

Charity details

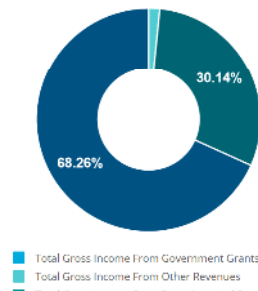
ABN: 46100632395
Address: 17 Bennetts Lane
Melbourne VIC 3000
Australia
Email: admin@myerfoundation.org.au
Address For Service email: hang@myerfoundation.org.au
Website: myerfoundation.org.au
Charity Size: Large
Who the charity helps: Youth - 15 to under 25
Migrants, refugees or asylum seekers
General community in Australia
Gay, lesbian, bisexual, transgender or intersex persons
Environment
Adults - aged 65 and over
Adults - aged 25 to under 65
Aboriginal and Torres Strait Islander people
Date established: 1958

Financial overview

Financial information from the latest AIS.

Income

Total income \$3,168,132.00



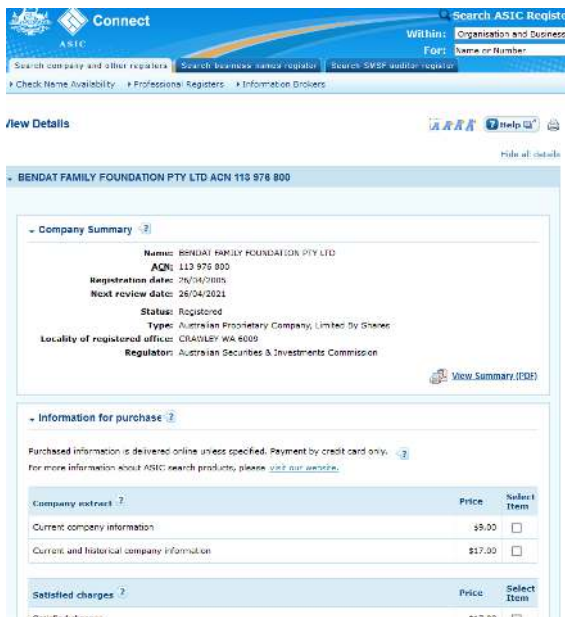
5. The ACNC AIS dataⁱⁱⁱ

The ACNC also each year publishes a spreadsheet based on the Annual Information Statements of registered organisations: this is a detailed document which puts in one place what the organisations have told the ACNC about the areas of interest that they donate to, so you can use it to search for foundations that give in your cause area. These stats lag real time by about two years, as it takes time for the ACNC to collect and collate the AIS information for the large number of charities and foundations registered with them. And they're not a complete guide, as not all organisations give the information for their areas of interest, although nearly all of them do list their main area of activity. The list does not tell you whether an organisation is a PAF. (You can do an ABN number comparison with the ABN DGRs list to find that out)

The screenshot shows the data.gov.au interface. At the top, there are navigation tabs for 'Datasets', 'Organisations', 'Community', and 'About'. A search bar is visible. Below the navigation, the page title is 'Organizations / Australian Charities and ...'. The main content area shows a search for 'Australian Charities and Not-for-profits Commission (ACNC)'. It indicates that 10 datasets were found. Two datasets are highlighted: 'ACNC Registered Charities' and 'ACNC 2018 Annual Information Statement Data'. Both datasets have 'PDF' and 'XLSX' download options. A sidebar on the left provides additional information about the ACNC, including its role as the national regulator of charities and not-for-profits, established in December 2012. It also shows 4 followers and 10 datasets for this organization.

	B	R	S	I	U	V	W	X	Y	Z	AA	AB	AC
	charity name	main activity	animal protection	aged care	civic and advocacy activities	culture and arts	economic social and community development	emergency relief	employment and training	environmental activities	grant-making activities	higher education	hospital service rehabilitation
2	Knox Environment Society Incorporated	Environmental activities	n	n	n	n	n	n	n	n	n	n	n
3	THE TRUSTEE FOR THE CENTRAL	Other health service delivery	n	n	n	n	n	n	n	n	n	n	n
4	Emmerton Park Inc	Aged care activities	n	n	n	n	n	n	n	n	n	n	n
5	Wingham Senior Citizens Care Assoc	Aged care activities	n	n	n	n	n	n	n	n	n	n	n
6	Friends Of St Kilda Cemetery Incorporated	Culture and arts	n	n	n	n	n	n	n	n	n	n	n
7	Atherton Men's Shed Inc	Economic, social and community development	n	n	n	n	n	n	n	n	n	n	n
8	Plantagenet Mens Shed Incorporated	Economic, social and community development	n	n	n	n	n	n	n	n	n	n	n
9	THE WYNNUM-MANLY AND DISTRICT	Economic, social and community development	n	n	n	n	n	n	n	n	n	n	n
0	Aboriginal And Torres Strait Islander	Economic, social and community development	n	n	n	n	n	n	n	n	n	n	n
1	BlazeAid Incorporated	Emergency and relief	n	n	n	n	n	n	y	n	n	n	n
2	The Nedlands Charitable Trust	Emergency and relief	n	n	n	n	n	n	n	n	n	n	n
3	The Trustee For Jim McIntyre Foundation	Grant-making activities	n	n	n	n	n	n	n	n	n	n	y

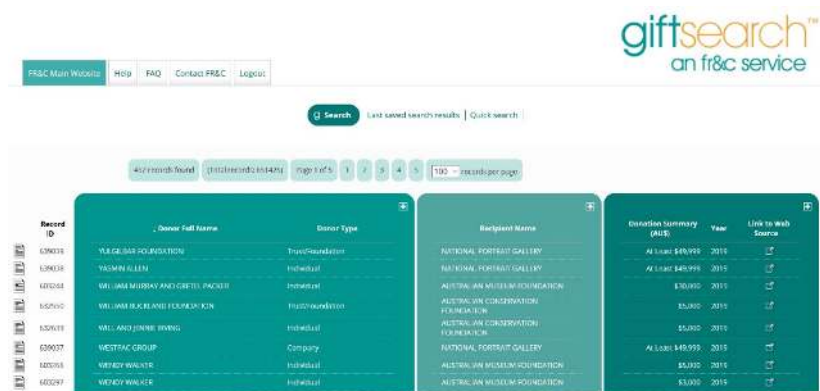
6. **Where else can you look?** If you have the name of the foundation or its trustee company as it is registered with ASIC, you can look up that information via the ASIC Connect website. This can give you business address and trustee information. (There is a charge to access information).



There is a huge “however....” attached to this option though: a large number of PAFs and foundations – several hundred at our last count - are not registered under the name they are commonly known by. This is because they often have a trustee company, which may go by a different name, and that is the entity that appears on the ASIC registers.

6b. Where else can you look?

FR&C's **Giftsearch service** is an online searchable database of more than 650,000 records from the public domain of donations made to not for profit organisations in Australia: we include foundation as well as individual donations, so a large number of donations made by PAFs appear here. Recent user feedback told us that it is *"very useful for (a) identifying the giving interests and giving levels of PAFs and Foundations who don't make their data public on ACNC and (b) doing searches by giving areas to identify PAFs and Foundations relevant to my organisation."*



Record ID	Donor Full Name	Donor Type	Recipient Name	Donations Summary	Year	Link to Web Source
639038	MARGIE DOD DONATION	Trust/Foundation	NATIONAL PORTRAIT GALLERY	At Least \$40,000	2010	🔗
639039	TACUM ALLEN	Individual	NATIONAL PORTRAIT GALLERY	At Least \$40,000	2010	🔗
640068	WILLIAM MURRAY AND CUREL PACKER	Individual	AUSTRALIAN MODELLY FOUNDATION	\$30,000	2010	🔗
652930	WILLIAM MCKELANE FOUNDATION	Trust/Foundation	AUSTRALIAN CONSERVATION FOUNDATION	\$3,000	2010	🔗
650018	WALL AND JANE BIRING	Individual	AUSTRALIAN CONSERVATION FOUNDATION	\$5,000	2010	🔗
639037	METTAC GROUP	Company	NATIONAL PORTRAIT GALLERY	At Least \$40,000	2010	🔗
640066	WICKY WALKER	Individual	AUSTRALIAN MODELLY FOUNDATION	\$3,000	2010	🔗
600297	WICKY WALKER	Individual	AUSTRALIAN MODELLY FOUNDATION	\$3,000	2010	🔗

7. **Some PAFs especially larger ones have useful websites**, which can include information on areas of interest, trustees, distribution amounts, and application processes – such as this site for the Balnaves Foundation.



What you can't find

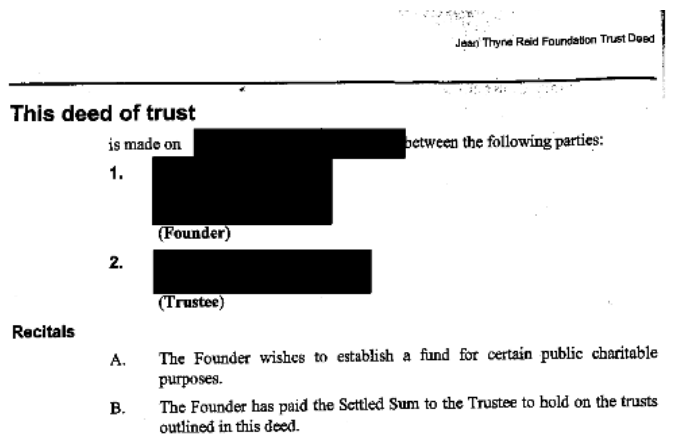
1. **About half of the registered PAFs do not appear in the ACNC register**, and it can be impossible to find information about them.

The ACNC Charity Register includes core information on all registered charities and requires that they submit financial reports if they qualify by size to be so required, but has a specific exemption which is mainly applied to PAFs, whereby their trustees may apply to have the PAF's information withheld from the publicly accessible Charity Register^{iv}.

The ACNC states that they generally allow PAFs to withhold their information if its publication is likely to identify individual donors^v, and that many trustees of new PAFs are now asking the ACNC to withhold; they may withhold the governing deed, the financials, the trustee details, or all of these.

If a PAF is registered with the ACNC but has asked for its information to be withheld, it does not appear either in the AIS data download, nor in the ACNC's published list of all registered organisations. We checked the ACNC list of all registered organisations against our downloaded list of all current PAFs and PuAFs, and found that 86% of the PuAFs appeared on the ACNC register, but only 56% of the PAFs. That's 1,046 out of a total of 1,853, leaving over 800 PAFs not appearing in the ACNC register.

Even if the PAF in question appears on the ACNC, the name of the trustee company may be redacted, so you can't look in ASIC for further information



As well as this, an increasing number of PAFs have as their trustee company one of the professional trustee companies such as Australian Executor Trustees or Perpetual Trustees.

In addition, although traditionally it has been possible to use the ASIC register to check for details of a trust or foundation and its trustees, for many funds their reporting obligations to ASIC to keep this information up to date have been superseded by ACNC reporting obligations, so as the ACNC website states *"Because registered charities are not required to notify ASIC of most changes that have been notified to the ACNC, the ASIC Register may not be current for registered charities^{vi}."*

The result of this is that even if you can find a PAF's details on ASIC, if it appears on the ACNC register its ASIC details may not be up to date.

ACNC information on the register doesn't include any information about application processes, so unless the register entry has a link to the foundation's website, this information can be impossible to find, and many smaller and family PAFs do not have formal application processes.

As with any research, the amount of information you can find on an organisation will vary enormously, and many smaller or newer PAFs do not publish any information about themselves.

Our view is that cold approaches to PAFs which have chosen not to publish information are unlikely to be effective, and that it's a better approach for fundraisers to look for connections to PAFs among your existing supporters and connections – and that can mean screening your data for PAF trustees, but it also means cultivating relationships with those who are well connected to those trustees, such as the professional trustee companies and Philanthropy Australia, and getting as much understanding as you can of the interest areas of PAFs.

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Source links

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- ⁱ <http://www.abn.business.gov.au/DgrListing.aspx>
 - ⁱⁱ <https://www.abn.business.gov.au/Tools/DgrListing>
 - ⁱⁱⁱ <https://data.gov.au/data/organization/acnc>
 - ^{iv} <https://www.acnc.gov.au/for-charities/manage-your-charity/obligations-acnc/reporting-annually-acnc/withholding-information>
 - ^v <https://www.acnc.gov.au/charity/about-charity-register/information-charity-register/information-withheld-charity-register>
 - ^{vi} <https://www.acnc.gov.au/for-charities/manage-your-charity/other-regulators/companies-limited-guarantee>

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charlotte@fundraisingresearch.com.au +61 2 8003 7337

