

Treasury  
Philanthropy & Exemptions Unit

Dear Sirs

The proposed changes to the rules governing PPFs are, with respect, remarkably short sighted.

One of the major driving forces behind the growth in private philanthropy in this country, which as you are no doubt aware still lags a long way behind philanthropy in the US, is the desire to have a family name associated, preferably in perpetuity, with one or more charitable causes. Provided that all the income of the PPF is distributed each year it seems totally unnecessary to force a PPF to terminate its existence within 7 years if you adhere to a 15% of capital annual distribution.

Should a compromise be considered absolutely necessary, and I fail to see why it should be, you could borrow from the old perpetuity rules & require that the PPF commence committing hara-kiri from the year of death of the taxpayer/philanthropist and that the process occur in equal cuts over the following 21 years ie. 4.76% annual capital distributions (on top of 100% of annual income).

Yours Faithfully

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