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EQT-managed charitable trusts distribute over \$11.7 million in 2011

Last year Equity Trustees Limited (EQT) distributed over \$11.7 million on behalf of the 204 charitable trusts it manages following the directions and wishes of the trusts' founders.

The trusts total more than \$370 million in value and vary significantly in size and scope, supporting a range of activities such as medical research, environmental and animal protection, social welfare and education.

Ms Tabitha Lovett, head of philanthropy at EQT, said that in difficult financial times, government and private sources of funding for community services often contracts, yet this is just the time when the need for such funding is at its greatest.

“It is of great benefit to the community, and particularly those most in need, that perpetual charitable trusts continue to distribute income each year to charitable causes irrespective of the financial climate and government priorities.”

Ms Lovett said that, understandably, many people think that charitable trusts are the preserve of the very wealthy, and that hundreds of thousands of dollars are needed as a starting point.

“In fact, this isn't the case at all,” she said. “Charitable trusts can be set up with starting capital of only \$20,000 by establishing a charitable account or sub-fund with a Public Ancillary Fund, which will distribute income year after year. Additional contributions can then be made over time to build the capital base.

“For those on a high income, there can be significant tax advantages in this approach as donations are tax deductible and the deductions to the donor's income can be upfront or spread across five years,” she said.

Ms Lovett added that charitable trusts and accounts offer a number of benefits over other forms of philanthropy, such as making a one-off donation to a charity.

“Benefits of charitable trusts include the fact that they distribute funds year after year; they can support particular projects and monitor their progress; they can be named after a loved one; over time the income generated and distributed can total more than the capital first invested, and a cause close to the heart of the donor or loved one can be supported for many years,” she said.

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