

# ShareGift Australia

Presentation  
Sydney Community Foundation  
June 2008

- ShareGift in a nutshell
- Operating Model
- ShareGift Milestones

## **The Concept:**

ShareGift aims to mobilise new sources of charitable funding through the sale of Australian securities and donation of cash proceeds to charities.

ShareGift enables owners of shares to sell their holdings, free of brokerage fees, and donate the proceeds to charity.

- ▶ 240,000 Australians own “less than marketable” (LTM\*) parcels in ASX-listed companies
- ▶ These small parcels are worth about \$80m \*\*

(\*A LTM parcel has a market value <\$500    \*\* ShareGift estimate, 2006)

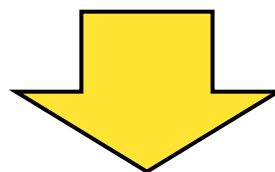
# Stakeholder Value Proposition

## Public Company

- Service to shareholders - allows holders of small lots to sell
- Reduces shareholder communication costs
- Aligns with CSR program

## Shareholder

- Generates community value from personal assets
- Can recommend recipient charity
- Eliminates brokerage fees
- Receives tax deduction



## Community

- Receives new source of cash funding
- 100 per cent flow through from donor

# Shareholder Value Proposition

	No Donation	Donation w/o ShareGift	Donation to ShareGift
Decide to sell	\$200	\$200	\$200
Brokerage Fee	\$30-\$125	\$30-\$125	\$0
Tax Refund*	\$0	\$35-79	\$93
Personal Proceeds	\$75-\$170	\$35-79	\$93
Community Benefit	\$0	\$75-\$170	\$200

Note: \* Assumes highest marginal tax rate, plus Medicare levy

This information is confidential and was prepared by ShareGift Australia; it is not to be relied on by any 3rd party without prior written consent.

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- A not-for-profit company
  - incorporated June 2004
  - based on a proven UK model generating GBP2 million per annum since 1996
- Granted DGR (*deductible gift recipient*) status and TCC (*tax concession charity*) status by the Australian Tax Office
- Led and supported by a diverse group of Australian market participants who want to grow sustainable community support *via* conversion of investment assets into philanthropic donations
  - Endorsed by ASX and Australian Shareholders' Association
  - Brokerage provided by Goldman Sachs JBWere
- ShareGift website established July 2007  
([www.sharegiftaustralia.org.au](http://www.sharegiftaustralia.org.au) )

## Educate

- Encourage corporate participation – direct or via registry
- Generate public awareness
- Encourage charities to offer as a donation option

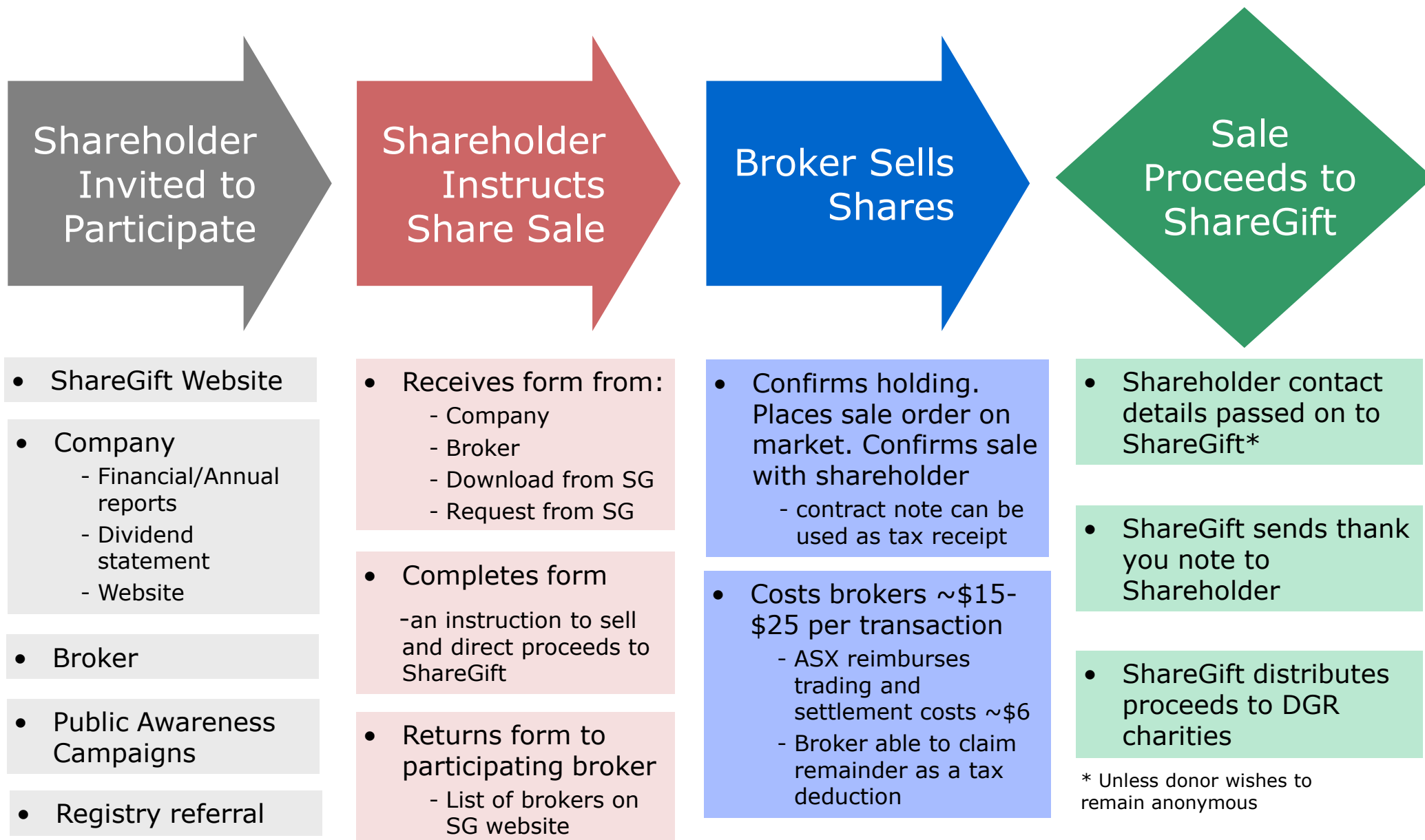
## Facilitate

- Provide advice/information to donors
- Encourage brokers to offer commission-free sale facilities
- Liaise with exchange, registries
- Recognise and thank donors

## Distribute

- Identify community need
- Manage charitable requests
- Take account of Donor Nominations (in line with UK model; donors more likely to give if they can direct donations)
- 100% flow through to charities (donations not eroded by ShareGift costs)

# ShareGift – how it works



# ShareGift Distributions ... so far

- Anti-Cancer Foundation of South Australia
- Anti Cancer Council of Victoria
- Association for the Blind of WA
- Australian Cancer Research Foundation
- Big Issue in Australia
- Cancer Council of Western Australia (Inc)
- CBMI (Australia) Overseas Development Fund
- Juvenile Diabetes Research Foundation International
- Melbourne Jewish Community Charity Fund
- National Stroke Foundation
- Oxfam Australia
- Royal Children's Hospital Foundation (QLD)
- Royal Flying Doctor Service of Australia (South Eastern Section)
- RSPCA
- St Vincent de Paul Society Queensland
- Surf Life Saving NSW
- Sydney Children's Hospital Foundation Limited
- Technical Aid to the Disabled (SA)
- The Fred Hollows Foundation Aust Aboriginal Fund
- The Salvation Army Red Shield Appeal
- The Smith Family
- World Vision of Australia Overseas Aid Fund

100% flow through  
from donor

Donor recommendations  
taken into account,  
ShareGift Board  
retains final discretion

Recipients must be DGR

# Dividend Gifting Proceeds – a further opportunity

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- Alongside share sale process, additional potential opportunity exists to invite shareholders to donate dividend proceeds
- Shareholders instruct registry to direct all or part of forthcoming dividend payments to ShareGift for charitable use
  - Administration handled by registry
  - Shareholder acknowledgement by ShareGift
- Can sit alongside existing community partnerships
  - Shareholders can nominate recipient charity as per share sale
  - Shareholders can nominate ShareGift to broaden choice
- Can sit alongside existing DRP's
  - e.g. remnant balances passed to ShareGift for charity allocation

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- July 2007: Pilot launched with NAB
  - NAB letter to selected small shareholders
  - Positive reception, active response - donations \$11,500
  - Model proven
- Nov 07: ShareGift launch/ cheque presentation
  - ShareGift allocation to 17 Australian charities
- Dec 07: Appointed CEO (Stephen Mills)
- 07–Jun 08: individual donations take ShareGift total to \$25,000
  - 1Q08 - second distribution to charities (\$2,500)
  - 2Q08 – third distribution to charities (\$tbc)
- 26 Aug 08- Sydney launch, ASX

- ShareGift now looking to expand participation by
  - listed companies ...
  - brokers ...
  - registries ...
  - charitable organisations
- Aspiration to become integral piece of the equities industry infrastructure in Australia
  - recognised and used throughout the industry as an effective independent mechanism to link with and to support the non-profit sector
  - Mobilising donors and intermediaries in support of the broader community

# Agenda

