

Philanthropy New Zealand
Tōpūtanga Tuku Aroha o Aotearoa

PAYROLL GIVING: AN OVERVIEW

Prepared for Philanthropy New Zealand by

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Executive Summary

This reflective paper has been prepared with the aim of informing Philanthropy New Zealand's response to the proposed discussion document on payroll giving being prepared by the Inland Revenue Department (IRD).

Payroll giving enables employees to make regular charitable donations from their pre-tax pay. The employer then forwards these donations either directly to the chosen charity or to an intermediary.

The paper examines payroll giving in three Commonwealth countries: Australia, Canada and UK, giving an overview of how the system operates in each country, how it has been promoted or supported by the Government, and the level of donations achieved.

What is already happening in New Zealand and the views of stakeholders, particularly fundraisers, are then investigated. Additional advantages and disadvantages to payroll giving as a method of fundraising are also highlighted.

What is apparent is that the situation in New Zealand is not dissimilar to that in Australia pre-2002 and that this country has the benefit of others' experience in rolling out payroll giving in the future.

Introduction

In the May 2007 Budget the New Zealand Government announced a number of measures aimed at laying the foundation for a stronger culture of charitable giving in New Zealand. In addition to a number of changes to the current rebate scheme, which take effect from April 2008, they outlined plans to look at a range of measures aimed at supporting the charitable, community and voluntary sector. These measures include:

- payroll giving
- making it possible to claim tax deductions for non-monetary donations such as artworks and other property
- clarifying and streamlining the tax treatment of reimbursement payments and honoraria payments to volunteers.¹

Payroll giving enables employees to make regular charitable donations from their (usually pre-tax) pay. The employer then forwards these donations either directly to the chosen charity or to an intermediary.

The Inland Revenue Department (IRD) is preparing a discussion document on payroll giving for release in November 2007.² Philanthropy New Zealand, along with the wider Community and Voluntary Sector, are preparing their response to this document.

Objectives

This paper will reflect on the benefits of implementing pre-tax payroll giving in New Zealand and how it might operate. Drawing on, and updating, previous research completed for PNZ, it will first investigate payroll giving in three Commonwealth countries: Australia, Canada and UK examining –

- how the different systems work
- how they were implemented and/or promoted
- the role of government and incentives
- how successful they have been in increasing income to charities and generosity generally
- problems encountered and/or overcome and lessons learned

The New Zealand context will also be examined, looking at what is already happening in the area and the positions of relevant stakeholders.

The benefits of payroll giving

As outlined by the Minister of Revenue -

- Payroll giving is an efficient, low-cost way for charities to raise funds (compared with other fundraising activities) and provides them with the regular income support that they need.

¹ 17 May 2007, Press Release: New Zealand Government, Hon Peter Dunne, Minister of Revenue retrieved from <http://www.scoop.co.nz/stories/PA0705/S00444.htm>

² <http://www.taxpolicy.ird.govt.nz/index.php?view=528>

- For employers, payroll giving provides a low-cost and administratively simple way to support employee engagement in the community while building employee morale and mobilising significant funding and volunteer resources for community benefit.
- For employees, payroll giving provides a convenient and simple way to give. In particular, a pre-tax payroll giving scheme is tax-effective and eliminates the need to collect receipts or wait until the end of the year to obtain the tax benefit of donations.³

³ 17 May 2007, Press Release: New Zealand Government, Hon Peter Dunne, Minister of Revenue retrieved from <http://www.scoop.co.nz/stories/PA0705/S00444.htm>

International Overview

Payroll Giving in Australia

In July 2002 an Australian Tax Office ruling allowed for charitable donations to be made from pre-tax pay, paving the way for corporate payroll giving and matched giving programmes.

Who and how

Generally known as Workplace Giving, in Australia there are three organisations (all registered charities) facilitating this method of giving:

- The Australian Charities Fund (ACF) – established in 2003 specifically to facilitate the development of Workplace Giving in Australia
- Charities Aid Foundation (CAF) - operating in Australia since March 2000, part of an international organisation originating in the UK
- United Way Community Funds of Australia - operating in Australia for over fifty years and part of an international organisation originating in the USA.⁴

CAF and the organisation/people that became ACF were actively involved in lobbying for the 2002 tax reforms. Both CAF and United Way were operating payroll giving schemes prior to the move to pre-tax deductions. ACF was set up to develop a specifically 'Australian' scheme, which combined aspects of the UK and US models.⁵

The three organisations run slightly different services -

| Australian Charities Fund⁶ | Charities Aid Foundation⁷ | United Way Community Funds of Australia⁸ |
|--|--|--|
| Encourages the selection of a short-list of charities (selected by employees and their company) to be supported. | Offers complete donor preference - any Charity (Deductible Gift Recipients) in Australia. Donations forwarded monthly. | Donations are allocated to designated or United Way approved projects or charities annually. |
| Relies on small contributions from participating corporate organisations to fund its costs. | CAF 'cost-effectively' manages the processing and administration for both charities and companies. | "Fee-free" |

⁴ <http://www.australiancharitiesfund.org.au>; <http://www.cafaustralia.org.au>;
<http://www.unitedway.asn.au/>

⁵ http://www.ozco.gov.au/news_and_hot_topics/speeches/giving_also_has_its_rewards

⁶ <http://www.australiancharitiesfund.org.au>

⁷ <http://www.cafaustralia.org.au/>

⁸ <http://www.unitedway.asn.au/>; <http://www.unitedwaysydney.com.au/>;

<http://www.unitedwaysa.org/work-place-giving.htm>

| | | |
|--|---|---|
| Provides some online services to employees of registered companies. | All programmes must be endorsed by an employer. Provides some online services to registered users. | Payroll deductions to United Way and its programmes are available (as a designated charity) even if it isn't operating a company's Workplace Giving programme. Signup forms available on website. |
| Employees at 50+ companies are involved supporting over 150 community organisations. | Works with more than 300 employers. As at June 2006 more than 530 not-for-profit (DGR) organisations were recipients. | Has established workplace giving and volunteering programmes amongst hundreds of businesses supporting over 550 grassroots community partners. In addition to the national office there are 10 state/community United Ways in Australia. |

- The ACF is also the manager of the Australian Public Service (APS) Workplace Giving programme (which is funded by the Department of Families, Community Services and Indigenous Affairs - FACSIA). As at March 2007 there were 23 departments or organisations participating covering 85% of all APS departments and supporting 63 community organisations.⁹

Results

The *Giving Australia* research project (conducted February and mid-March 2005) found that about 0.7% of those surveyed had made a donation through a deduction from their pay, which suggests that about 100,000 people participate in such schemes.¹⁰

In 2004 ACF estimated that approximately A\$5 million was given to not-for-profits through its programmes, with a further A\$3.5 million – A\$4 million donated through CAF and UW combined¹¹.

Overall in 2005 employees from 575 local companies gave nearly A\$11 million. The total pool was reported to be growing at between A\$1 million and A\$2 million a year. Medium term estimates for the future propose an A\$200 million money flow to charities through workplace giving.¹²

Promotion and incentives

Shortly after the *Giving Australia* survey was conducted the government launched a major initiative to promote workplace giving. Funded by FACSIA and run by the Prime Minister's Community Business Partnership, "Workplace Giving Australia"

⁹

http://www.australiancharitiesfund.org.au/index.cfm?pagename=companies&pageobject=118_1969_1950&CFID=618813&CFTOKEN=15990607

¹⁰ <http://www.partnerships.gov.au/downloads/volunteeringgiving.PDF>

¹¹ Fundraising & Philanthropy Australia, Feb 2005, p.8

¹² Katrina Strickland, Things go better . . . when the giving is easy, Australian Financial Review, 23 February 2006

was launched in August 2005.

Workplace Giving Australia has three main elements:

- Workplace Giving Kit (information booklet and CD ROM with templates for businesses choosing to set up in-house programmes).
- Workplace Giving Support Programme for business including free workshops, an email advisory service, e-newsletter (provided in collaboration with the three workplace giving advisory organisations).
- Workplace Giving Support Programme for the Australian Public Service including access to a case manager to develop or re-launch workplace giving programmes within Australian Government Departments.¹³

In addition to promoting payroll giving, the Workplace Giving programmes also encourage other aspects of corporate community involvement, particularly employee volunteering and pro bono work. Matched giving is also supported. The Australian Public Service (APS) programme is seen as providing a leadership role in the implementation of the government's efforts to promote workplace giving.

Further results

A July 2007 survey of Top 1000 companies by Pro Bono Australia found a definite upward trend in corporate responsibility programmes, particularly in corporate volunteering. Twenty-nine percent of the companies surveyed said they had workplace giving programmes in place. That number is expected to double by the end of this year. However, only one-third were prepared to match employees' donations dollar for dollar. Programmes are also more common among larger companies and in certain industries, namely finance, information technology, pharmaceuticals and personal products, containers and packaging and metals and mining.¹⁴

Summary of key points

- Three organisations are providing payroll giving services, two based on overseas models, one developed in Australia, all are registered charities. There is no requirement to use an intermediary however and companies may set up in-house schemes.
- ACF (the Australian developed model) is the largest agency, distributing about 60% of funds in 2004.
- Support and promotion is provided by the government through the Prime Minister's Community Business Partnership. As a result Workplace Giving has been developed and promoted in the context of corporate community involvement - as much as, or even more than the context of personal philanthropy.
- No monetary incentives (besides tax efficiency) provided.

¹³ [http://www.partnerships.gov.au/downloads/fact_sheets/\(7\)%20workplace%20giving.PDF](http://www.partnerships.gov.au/downloads/fact_sheets/(7)%20workplace%20giving.PDF)

¹⁴ Corporate volunteering on the rise, or at least it's on the books, Leon Gettler, 19 July 2007

Payroll Giving in Canada

Who and how

Workplace giving in Canada is mostly through United Ways-Centraides (United Way) although some companies, particularly large corporations, choose to operate their own internal workplace giving programmes. Even those that do, for example Royal Bank Financial Group, report that most funds still go to United Way.¹⁵

There are 125 local United Ways-Centraides in Canada. Donations go to either United Way's own programmes or any registered charity in Canada.

In Canada, much of United Way's fundraising is focused on annual Workplace Campaigns. Held each fall, volunteers in communities across the country urge employees at participating companies to pledge their support by signing up for payroll deductions during the upcoming year. United Way-Centraide Ottawa has indicated that workplace giving generates more than 80% of their annual fundraising target.

In some locations United Way also provides UnitedWay@work, a tool to allow organisations to run a United Way campaign online. Other Canadian organisations, including CanadaHelps.org, an online donations portal, have considered this option in recent years.¹⁶

Results

In 2000, as reported in the *National Survey of Giving, Volunteering and Participating* (NSGVP), payroll deduction accounted for only about 3% of the total number of donations made in Canada. In terms of the total dollar value, payroll deductions made up approximately 6% of total donations in 2000 (this still amounted to C\$294 million).

In 2004 the *Survey* found that donors to philanthropic intermediaries (eg United Way) were most likely to donate via payroll deductions - almost half (47%) donated in this way. The percentage for other charities was only 2%.¹⁷

Promotion and incentives

There does not appear to be any direct support or incentives, other than the tax advantage, provided by the government. One way the Federal Government does support workplace giving however is by encouraging federal employees and retirees to give through the Government of Canada Workplace Charitable Campaign. The GCWCC is managed by United Way/Centraide on behalf of the Treasury Board of Canada Secretariat.¹⁸

Promotion is largely linked to the annual United Way Workplace Campaigns.

Summary of key points

- Payroll giving in Canada is dominated by United Way and appears to resemble the US model (pledge is renewed yearly). As well as administering most workplace schemes, the majority of donations also appear to go to United Way or Community Foundation-type programmes although employees typically have the option to select any registered charity.
- No evidence of recent government initiatives to promote giving.

¹⁵ <http://www.charityvillage.com/cv/archive/acov/acov01/acov0147.html>

¹⁶ <http://www.canadahelps.org/>

http://www.partnershipplatform.ca/modules.php?name=Partnership_Platform&op=displayProfile&profile_id=93

¹⁷ http://www.givingandvolunteering.ca/pdf/reports/Where_Canadians_Donate.pdf

¹⁸ <http://www.gcwcc-cgmtc.org/>

Payroll Giving in the UK

Payroll Giving in the UK is an HM Customs & Revenue scheme. The UK is celebrating the 20th anniversary of payroll giving this year.

Who and how

In the UK, it is a requirement that workplace giving operates using an intermediary for the processing of donations. Known as Payroll Giving Agencies, (PGA) they are approved and monitored by H M Revenue & Customs and are registered charities.

- In 2006 there were 19 Payroll Giving Agencies operating (including in-house PGA).
- Most PGA cover costs by make a small charge which they deduct from donations before distributing them to charity (normally no more than 4% of the donation or 25p per payroll deduction, whichever is greater).
- An increasing number of employers pay the PGA's charges so that the full amount of your donation can go to charity.¹⁹

The Charities Aid Foundation (CAF) actively campaigned for the 1987 introduction of the scheme and was the first agency to receive approval when payroll giving was launched.²⁰ It is the UK's largest Payroll Giving Agency (more than 75% of the money being received by charities from payroll giving is distributed by CAF). CAF operates the Give As You Earn (GAYE) scheme. GAYE is also delivered and promoted in association with other PGA including United Way Payroll Giving Service.

United Way has limited presence in the UK, being largely confined to the North West of England (based in Liverpool).²¹

In the UK the ability to choose to give to any charity is also a requirement. Donors can choose to be identified to the charities or remain anonymous. Donors can also elect to donate through a Charity Account or Charity Cheques (administered by CAF and other PGA) if they wish to give to a wider range of charities, save up a pool of funds, or if their employer doesn't run a GAYE scheme.

Results

In the first full year of payroll giving (1987/8) £1,034,695 was raised for charities from 60,629 people. In the year 2005/6 £84,740,956 was received and distributed by the Payroll Giving Agencies to charities from over 600,000 employees.²²

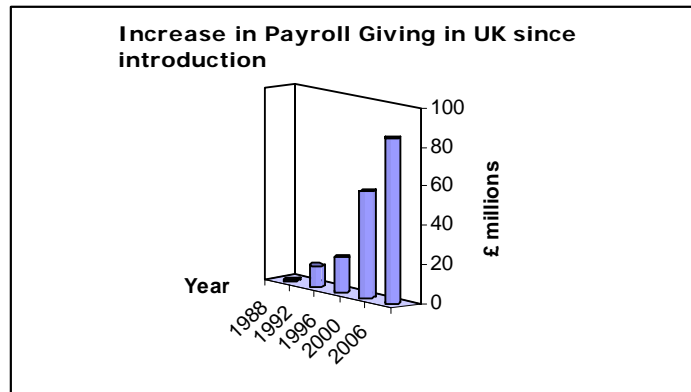
¹⁹ <http://www.payrollgivingcentre.org.uk/facts%20figures.htm>;

<http://www.hmrc.gov.uk/payrollgiving/>

²⁰ <http://www.cafonline.org>

²¹ <http://www.charity-commission.gov.uk>

²² <http://www.payrollgivingcentre.org.uk/attachments/20thBirthday-Jan07.pdf>



(see Appendix 2 for more details)

This growth is linked to a number of changes to the scheme and initiatives.

Promotion and incentives

- The 1990 introduction of Gift Aid and the expansion of the scheme in 2000. (Gift Aid is tax relief on money donated to UK charities. Donations are treated as if the donor had already deducted the basic rate tax from them. The charity can then reclaim this tax to increase the value of a donation.)
- In 2000 the maximum amount that could be given each year was abolished and the government launched a three-year promotion of the scheme.
- As part of the promotion, the government added a further 10 per cent to all donations made through payroll giving from April 2000 to April 2004 (it was extended for a year).
- In 2002 the UK government launched its "Corporate Challenge" to increase business involvement in community activity in three main areas, one of which was corporate support for and promotion of payroll giving schemes.
- From January 2005 to December 2006 the Home Office funded the Payroll Giving Grants programme. Small and medium sized enterprises (SME) with less than 500 employees were eligible for a grant of up to £500, for setting up payroll giving. The first £10 of each employee's monthly donations was also matched, £ for £, for a period of six months (up until March 2007).²³

The SME grants programme encouraged 3,380 employers to sign up.²⁴

Currently employees can give to any UK charity straight from their gross salary (before tax is deducted), and receive immediate tax relief of up to £4 for every £10 donated.

The government also funds the Payroll Giving Centre - a comprehensive online information centre about payroll giving aimed at businesses, charities and the general public (operated by the Institute of Fundraising). It also supports the Payroll Giving Quality Mark and Awards system for recognising employers with a

²³ <http://www.payrollgivingcentre.org.uk/facts%20figures.htm>;
<http://www.hmrc.gov.uk/payrollgiving/>; http://www.hm-treasury.gov.uk/spending_review/spend_ccr/spend_ccr_voluntary/spend_ccr_corpchall.cfm;
<http://www.publications.parliament.uk/pa/cm200304/cmhansrd/vo031203/text/31203w04.htm>

²⁴ Third Sector, 6 June 2007

payroll giving scheme in place and who achieve specified levels of participation.²⁵



The Government, Payroll Giving Agencies and the charitable sector generally are using the 20th anniversary of the scheme this year to promote it.

Summary of key points

- Payroll giving has been operating for twenty years now as a pre-tax scheme
- Donations also qualify for Gift Aid.
- As well as promotion campaigns, two financial incentive schemes have been run to encourage participation:
 - a government top-up of donations 2000-2004
 - a grants scheme for small employers 2005-2007.
- There are a number of payroll giving intermediaries, who must be licensed, although CAF is the largest and its GAYE scheme is the standard.
- Payroll giving is a HM Customs & Revenue scheme and there is more emphasis on increasing personal giving to charities than corporate involvement, although it is still seen as an aspect of CCI.

²⁵ <http://www.payrollgivingcentre.org.uk>

Key Points from international research

- Government support for payroll giving includes modelling the behaviour by providing workplace schemes for the public service.
- In the UK and Canada payroll giving is dominated by the organisation that first introduced it. This is not the case in Australia, however there the organisation which operates the Public Service scheme – the ACF, is the largest.

Additional benefits identified from research

- In Canada it has been found that, while most donors do not make decisions about their donations in advance, those who do plan ahead (which would include payroll donors) tend to give more, actually accounting for 39% of the total dollar value of all donations in 2000.²⁶
- Payroll giving is popular with men, who are typically less philanthropic than women. In 1997, Canadian men were more likely to make a donation through payroll deduction than women (13% vs. 9%), the only method where more men than women gave.²⁷ In Australia payroll giving was also found to be slightly favoured (52%) by men.²⁸ A 2001 survey in the UK also found a majority of payroll givers to be male.²⁹

Disadvantages identified from research

- Both donors and charities fear that because payroll giving goes through an intermediary, either a PGA or employer, it weakens the relationship between them.³⁰
- In all three countries, although millions are raised for charities each year, the percentage of people involved remains low. About 0.7% of donors in Australia, 3% of donations in Canada, and the UK's 600,000 participants are from a working population of about 29 million, or 2% of the workforce.

²⁶ <http://www.charityvillage.com/cv/archive/acov/acov01/acov0147.html>

²⁷ <http://www.givingandvolunteering.ca/pdf/n-f5-ca.pdf>

²⁸ <http://www.partnerships.gov.au/downloads/volunteeringgiving.PDF>

²⁹ <http://www.charityfundraising.org/Romney-Alexander%20-%20Payroll%20Giving.pdf>

³⁰ www.givingcampaign.org.uk/images/uploaded/giving_at_the_office.pdf

New Zealand Context

Payroll giving is neither well known nor widely practised in New Zealand and there is very little information about its uptake here. Having said this, there are a number of organisations participating in workplace giving of one sort or another.

Who and how

United Way New Zealand (UWNZ), which has been operating in New Zealand since 1975, currently receives post-tax payroll deductions to its Community Chest. In 2005 the CEO reported that it had about 46 companies involved in payroll giving, the largest of which was Cambridge Clothing Co Ltd. This company had about 200 staff enrolled (in 2003) and in 2006 they raised \$9,143 for UWNZ, which the company matched at 50c for each dollar³¹. The 2006/07 annual report states that around 180 New Zealand charities benefited from their allocations—predominantly in the area of operating costs, which is the hardest for organisations to fund from other sources of income.

CAF Australia showed an interest in the New Zealand scene around 2003 but the operation remains very small with an office based out of a solicitor's office in Wellington. They have two companies running workplace giving schemes in New Zealand.

A handful of companies have entered payroll giving relationships directly with individual charities or run Workplace Giving programmes. For example Lion Nathan's Lion Pride programme has relationships with six charities in New Zealand (including United Way).³²

It is worth noting that many of these companies, including Lion Nathan, are trans-Tasman companies which run Workplace Giving programmes in Australia. These programmes have either been extended to New Zealand staff or are based on the same model/principles. Rabobank, who work with the ACF, have selected a group of charities in both Australia and New Zealand to benefit from Workplace Giving and its employees support eight Australian and four New Zealand charities.³³ Two of the companies working with CAF Australia (Unilever and Fosters), have also extended their programmes to New Zealand staff.³⁴

Individual charities are also running, investigating or developing payroll giving programmes. Three charities have recently formed a joint venture to facilitate payroll giving. Workplaces for Change is a partnership involving Amnesty International, Greenpeace and Oxfam New Zealand, set up exclusively for the purpose of encouraging workplace giving to the partners.³⁵ Operating since early 2007³⁶, the initiative is still in its infancy, with little or no promotion to date.

³¹ 2 April 2004, National Business Review; Dominion Post, 18 October 2005; UWNZ Annual Report 2005; [www.nzbcscd.org.nz/ attachments/NZBCSD_CCI_report.doc](http://www.nzbcscd.org.nz/attachments/NZBCSD_CCI_report.doc); Cambridge Clothing Co Ltd Annual Report 2006

³² <http://www.lion-nathan.com.au/Great-Company/Our-Responsibilities/Sponsorship.aspx>

³³

http://www.australiancharitiesfund.org.au/index.cfm?pagename=companies&pageobject=118_1129_1059

³⁴ <http://www.cafaustralia.org.au>; Personal Communication, 10/08/07

³⁵ <http://workplacesforchange.org.nz>

³⁶

<http://www.oxfam.org.nz/aboutus.asp?s1=About%20us&s2=Oxfam%20news%20by%20email&s3=February%20eNews>

Summary of key points

- The situation in New Zealand is not dissimilar to that in Australia pre-2002, with the notable exception that New Zealand also has the Australian experience to draw on.
- The Australian Workplace Giving model is operating in some New Zealand companies with Australian head offices.

Stakeholder views

Charities

Given the dearth of information on payroll giving in New Zealand, Saints Information undertook a short informal survey of the members of the Fundraising Institute (FINZ) designed to gauge their views on it as a fundraising method.

While based on a small, self-selecting sample, and therefore not statistically accurate, it provides a snapshot of what professional New Zealand fundraisers know and think about payroll giving (see Appendix 1 for survey text and full results).

Survey highlights

- Nine out of 55 respondents' organisations were involved in payroll giving.
- 47 out of 55 respondents said they would support the introduction of payroll giving in New Zealand.
- The majority (67%) of respondents didn't or couldn't name any organisations involved in payroll giving
- The most frequently identified benefit of payroll giving was the regularity of income. Ease (for donors and charities) and opportunities for increased involvement with companies and for reaching new audiences were also noted.
- The most frequently suggested disadvantages were the cost and administrative effort involved, particularly when weighed against the small amount of money gained, and concerns about the impact on the scheme on donor relations.
- Asked for general comments fundraisers noted the need for the scheme to be pre-tax to be of real benefit, the need for national/government promotion of the scheme for it to be effective, and concerns about how it would be affected by Kiwi Saver.

Overall the fundraisers who responded, seem cautiously optimistic about the potential of payroll giving to increase both their income and philanthropy generally.

Business sector

Evidence on the views of the business sector on payroll giving was not identified. While some companies are already involved in such schemes, little or nothing about payroll or workplace giving has been reported in the business press³⁷, prior to or since the May 2007 Budget announcement.

Similarly Business New Zealand, the Employers and Manufacturers' Association, Business Council for Sustainable Development and Business Roundtable make no mention of it on their websites. While it must be assumed they are developing positions, they have yet to make them public. The comments that have been made seem to indicate that concerns about compliance costs are likely to be an issue³⁸.

Anecdotal evidence gathered during research for the Corporate Citizen's project³⁹ suggests that the option of payroll giving is not known to, or understood well, by the majority interviewed. However, once aware of the concept, most are prepared to consider it, at least in principle.

³⁷ New Zealand Management; Marketing Magazine; New Zealand Herald; National Business Review; Independent Financial Review; Dominion Post; Christchurch Press

³⁸ The Independent Financial Review, 18 July 2007

³⁹ <http://www.fis.org.nz/databases/CorporateCitizens.php>

Conclusions

- Should the government chose to introduce payroll giving it should set an example by establishing a state sector-wide scheme. There is a precedent for this, not only in the Canadian and Australian examples but the State Services Retirement Scheme, which was set up in 2004. At the time the government noted that, not only is the state one of the largest employers in the country, but "it is important that the state sector sets a good example".⁴⁰
- While any scheme introduced needs to be tailored to the New Zealand environment, it also has to be compatible with the Australian regime, given the large number of New Zealand employers (eg the major banks) that operate in both countries.
- The evidence from both UK and Australia suggests that government promotion of the scheme is vital for its success. Ongoing information resources such as the UK Payroll Giving Centre or the Prime Minister's Community Business Partnership, Workplace Giving Australia information kits are also required.
- While there is huge potential for payroll giving to grow charitable giving, actual levels remain low. After two decades in the UK only 2% of the workforce is involved. In New Zealand that would equate to about 65,000 people (based on the working age population of 3.25 million, not all of whom are actually in employment).
- It is the regularity of income that most appeals to charities.
- The role of third parties has been queried as a number of charities are concerned about intermediaries being used. This relates particularly to the possibility of them having control of donor information and/or the relationship.

⁴⁰ <http://www.ssc.govt.nz/display/document.asp?DocID=3718>

Appendix One

Saints Information Payroll Giving Survey of FINZ members August 2007

Total number of responses = 55

Question 1:

Is your organisation currently involved in any payroll giving programmes?

Yes = 9

No = 46

Question 2:

Do you/your organisation support the introduction of pre-tax payroll giving in New Zealand?

Yes = 47

No = 8

Question 3:

Please name any organisations that you are aware of that are either running payroll giving programmes as part of their fundraising mix or third parties that are facilitating it in New Zealand.

No answer = 21

Don't know/none = 16

Named a charity or business = 18

Question 4:

What, if any, do you consider the main benefits of payroll giving for your organisation?

1. Regularity of income = 27
2. Ease/cost effectiveness for charities = 10
3. Ease/advantages for donors = 9
4. Opportunities to develop corporate relationship = 9
5. Opportunities to develop donor relationship = 6
6. Chance to reach new donors/audience = 7
7. Way to increase awareness of cause = 3
8. Increased income = 2
9. Encourage giving generally = 1

Question 5:

What, if any, do you consider the main disadvantages of payroll giving for your organisation?

1. Cost and administrative effort for companies and/or charities = 15
2. Negative impact on relationship with donors = 8
3. None = 8
4. Donors locked into single charity/amount = 4
5. Cost/effort of promoting scheme = 4
6. Will replace other forms of company involvement/giving = 3
7. Small amounts of money involved = 3
8. Staff turnover = 3
9. Third party involvement = 2

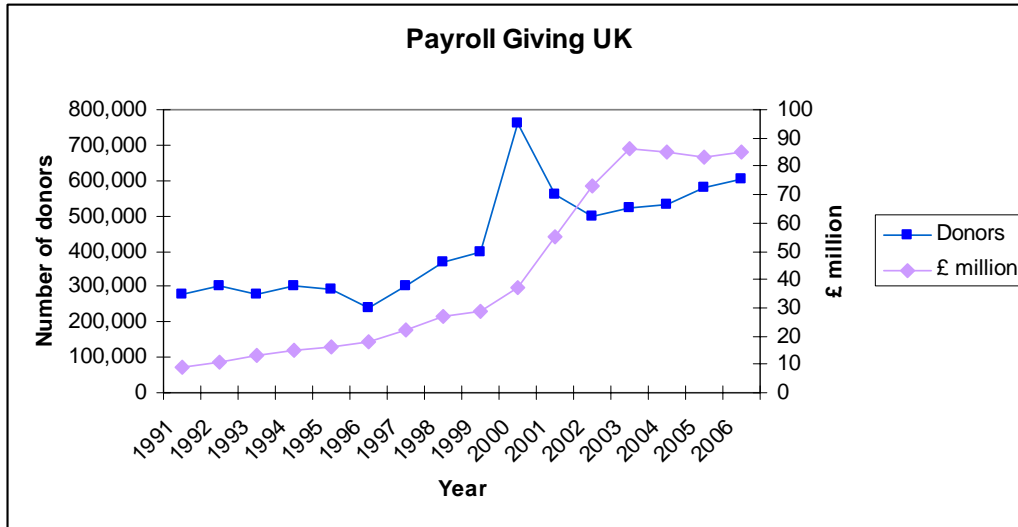
10. Technical problems (set up) = 1
11. Impact of KiwiSaver = 1

Question 6:

Do you have anything that you would like to add about the future of payroll giving in New Zealand?

1. "Great" = 6
2. Welcome it as another option for donors or way of promoting giving/philanthropy = 5
3. Welcome the proposed tax incentives = 4
4. Stressed the need for the scheme to be pre-tax = 3
5. Noted the lack of knowledge in the area/called for more research = 4
6. Stressed the need for a national/coordinated promotion of any scheme = 5
7. Wondered about impact of KiwiSaver = 4
8. Noted need for company buy-in for scheme to work = 4
9. Don't want third party involvement = 2
10. Questioned cost-effectiveness = 1
11. Suggested scheme had to be compatible with Australia = 1

Appendix Two



Notes –

1. Prior to 1992-93, some of the figures included people who had been donating but were no longer doing so. Figures from 1992-93 include only the numbers of current donors.
2. Figures in 1999-2000 and 2000-01 include donations under the Children's Promise campaign. The data on the number are unreliable from 2000-01 onwards due to problems reporting the numbers of donors in staff pooled funds. The jump in donors in 2004-5 is thought to be overstated because the figures for the earlier years are probably underestimates.

Source - <http://www.hmrc.gov.uk/stats/charities/table10-8.pdf>