

Companies giving back this tax time

Making a difference for others works for many businesses, writes Kate Jones.

Tax time rarely brings joy to small business owners, but for some it can be the most rewarding time of the year.

Every year small and medium enterprises give \$8.5 billion to charity, according to Philanthropy Australia. Call them big-hearted or tax-savvy, either way, their charitable donations not only make a difference to their bottom line, but also to those in need.

"Giving back" is a major business motivator for Joshua and Alana Nicholls, who sponsor 200 children through their electrical business Platinum Electricians.

"It's our core, it's our why," Alana explains.

"You have those days when you think it's hard and then you look up at the wall and see the photos of our field trips to Zambia and Sri Lanka and realise how blessed we are to live in Australia.

"Over there, they are struggling to get clean water."

The Sydney couple had always sponsored children privately through World Vision, but decided to make it part of their business when growth escalated and they began to set up franchises. They made a "one van, one child" pledge and today, with more than 170 vans on the roads around Australia, the couple and their franchise owners sponsor children throughout Zambia and Sri Lanka.

Child sponsorships costs the business \$9600 every month. Platinum Electricians, which had a turnover of \$65 million last



Platinum Electricians owners Alana and Joshua Nicholls sponsor more than 170 children.

financial year, has also set up a foundation that funds World Vision-managed community projects such as toilets and water bores in developing countries.

Alana says she "has to pinch myself sometimes" to believe how much the business has donated to World Vision. "We've always been in business believing it's not about ourselves," Alana says. "We have the ability to create wealth, but it's not about lining our own pockets. Yeah, it's important that our family has a house and cars and that sort of thing, but it doesn't need to be over the top. We're in business to give and be a blessing to other people."

'We've always been in business believing it's not about ourselves.'

Alana Nicholls

Research shows Australia's SMEs are a generous lot. A report by investment firm Koda Capital found 70 per cent donated an average of \$5800 in 2018.

Donations of \$2 and more are tax deductible if they are made to government-endorsed deductible

gift recipients. Warren Ebert's Brisbane-based investment firm Sentinel Property Group has a yearly turnover of \$25 million, so he says he is well placed to help the community. His company's foundation has amassed \$750,000 and aims to hit \$2 million to donate to a handful of charities including the Salvation Army and Zephyr Education, which helps children in domestic violence shelters.

"We have a pretty good life, we don't want for anything, but we don't have a private jet or 200-foot yacht, we have everything we want," he says. "So we're just trying to build the charitable fund

to a meaningful amount to help people out during the bad times.

"In the difficult times, like the GFC, the charities have a bigger need for donations and that's when most people don't have excess money to give away, so we're focused on building that money up."

While making donations at tax time helps reduce the company's taxable income, Ebert says it's about much more than that.

"If you just want to get a tax deduction, there's a lot of other things you could be doing," he says.

"Yes, you get a tax deduction and that helps, but that's certainly not the reason you do it.

"From my early days in the property industry, I helped with the door knock on the Red Shield Appeal and I saw how the Salvation Army helped people at the grassroots - whether it's giving coffee to the homeless in the streets or helping people with drug rehabilitation.

"If we do what we well and earn money, we can give it to them for what they do well with their services."

Like Platinum Electricians, women's clothing chain Blue Illusion has a "one store, one child" philosophy, which has led to the sponsorship of 111 children throughout Africa, Asia and South America.

The feel-good factor that comes from supporting children in need delivers benefits beyond those a business can deliver, says chief executive Donna Guest.

"I think you need a purpose and that purpose is greater than being in business in a lot of senses," she says.

"You get a lot more satisfaction out of giving and being able to do things to help people than the everyday successes of business.

"It brings you happiness, which sounds cheesy, but it does."