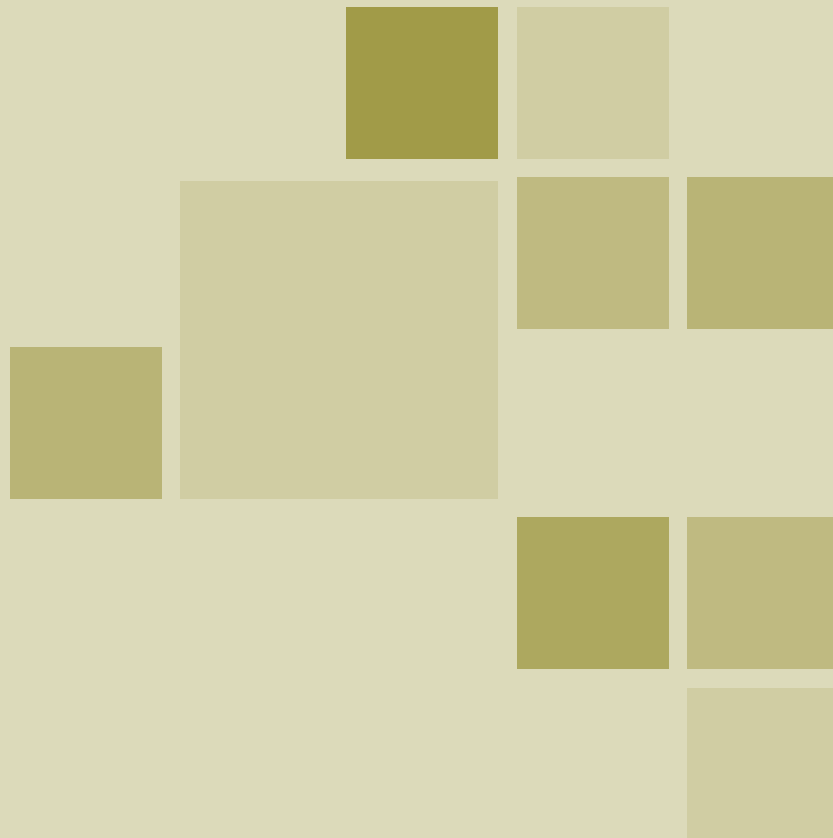




PHILANTHROPY  
*Australia*

# Annual Report 2010



# Corporate Information

## **Philanthropy Australia Inc.**

### **Patrons**

Sir Gustav Nossal AC CBE  
Lady Southey AC

### **Council**

#### **President**

Mr Bruce Bonyhady AM

#### **Melbourne Vice President**

Ms Dur-e Dara OAM

#### **Sydney Vice President**

Ms Samantha Meers

#### **Treasurer**

Mr David Ward

#### **Chief Executive Officer**

Ms Gina Anderson (until 30 September 2010)  
Dr Deborah Seifert (from 4 October 2010)

#### **Council Members**

Mr Paul Clitheroe AM  
Mr Timothy Fairfax AM  
Mr Terry Macdonald  
Dr Noel Purcell  
Mr Christopher Thorn

#### **Auditors**

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PhilanthropyWiki: [www.philanthropywiki.org.au](http://www.philanthropywiki.org.au)

PAF Website: [paf.philanthropy.org.au](http://paf.philanthropy.org.au)

#### **ABN**

79 578 875 531

#### **Incorporated Associated No.**

A0014980T

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# Statement of Purpose

Philanthropy Australia is the national peak body for philanthropy and is a not-for-profit membership organisation. Our Members are trusts and foundations, organisations, families and individuals who want to make a difference through their own philanthropy and to encourage others to become philanthropists.

Our Vision is for a giving and caring nation, and our Mission is to represent, grow and inspire an effective and robust philanthropic sector for the community.

Philanthropy Australia defines philanthropy as the planned and structured giving of money, time, information, goods and services, voice and influence to improve the wellbeing of humanity and the community.

Membership fees, publication sales, training workshop fees, fee-for-service research services and consultancies all contribute to funding Philanthropy Australia.

We define the philanthropic sector as trusts, foundations, organisations, families and individuals who engage in philanthropy.

Philanthropy Australia's role is to support the philanthropic endeavour of our Members.

Philanthropy Australia:

- Represents the philanthropic sector
- Promotes the contribution of philanthropy by growing the understanding of the community, business and government
- Inspires and supports new philanthropists
- Increases the effectiveness of philanthropy through the provision of information, professional development, resources and networking opportunities
- Promotes strong and transparent governance standards in the philanthropic sector

We also provide information to those seeking to understand, access or partner the philanthropic sector.

The organisation works Australia-wide, is headquartered in Melbourne and has offices in Sydney.

Membership fees, publication sales, training workshop fees, fee-for-service research services and consultancies all contribute to funding Philanthropy Australia. We also receive funding from a number of leading trusts and foundations to support our work of promoting Australian philanthropy.

Services include:

- An annual calendar of Members' seminars, presenting national and international speakers on key areas of interest
- *PRESSing Matters*, a weekly media monitoring service for news in philanthropy
- *Philanthropy Review*, a monthly newsletter highlighting key news items and programs on the philanthropic agenda, recent reports and articles, and a list of events

- *Australian Philanthropy*, a triannual journal which documents and analyses developments in domestic philanthropy
- Publication of *The Australian Directory of Philanthropy*
- A dedicated Library and Resource Centre focusing on philanthropy
- Philanthropy Australia's suite of websites, together forming a news and information hub for the philanthropic sector, and portal to many online services for Members and subscribers
- PhilanthropyWiki, an extensive online archive of knowledge on philanthropy in Australia, directly contributed to by our Members
- Publication of texts designed to meet the information and management needs of the Australian philanthropic and charity sectors
- Original research on Australian philanthropy and its environment
- Advocacy – particularly tax advocacy – on behalf of Members to Federal and State Governments and other major public and private institutions
- Consultancy services to individuals, families and corporations preparing to establish charitable trusts or foundations
- Special interest Affinity Groups in key grant making areas

# Strategic Plan

Our priorities and intended outcomes 2007-2011

The areas in which we will achieve significant results are:

## 1. Representation

Priority:	To represent the views of Members on the issues of the day.
Intended outcomes:	The interests, issues and goals of Members are identified, considered, represented and actioned.
Priority:	To be the leader and principal representative of a vibrant philanthropic community.
Intended outcomes:	Recognition as a key peak body included in critical consultations, committees, groups and taskforces on major issues affecting the sector.

## 2. Grow and Inspire

Priority:	Promoting and facilitating a larger and stronger philanthropic sector.
Intended outcomes:	Growth in the overall level of philanthropy in Australia. Strategic alliances with like-minded organisations and networks to build collaborative action for the wellbeing of the community.
Priority:	Lead discussion on the positive contribution of philanthropy to the wellbeing of the community and be an active participant in the major issues affecting community wellbeing.
Intended outcomes:	Growth in media interest and positive media coverage.

## 3. Effectiveness

Priority:	Improve the effectiveness of philanthropy and the community's understanding of the role of philanthropy.
Intended outcomes:	Better measures and understanding of community wellbeing, social capital and the contribution of philanthropy.
Priority:	Improve the efficiency and effectiveness of Philanthropy Australia for its Members.
Intended outcomes:	Positive feedback from Members on Philanthropy Australia's performance.

## 4. Governance

Priority:	Encourage strong and transparent governance within the philanthropic sector.
Intended outcomes:	Trustees and Members who maintain sound governance policies and practices, and report regularly on the outcomes of their philanthropic contributions. Effective education and professional development for Members and the sector more generally.
Priority:	Philanthropy Australia is recognised as a well governed and financially sound peak body.
Intended outcomes:	Transparent and sustainable membership organisation with strong support throughout the philanthropic sector.

# Report from the President



The past year has been a period of steady progress for Philanthropy Australia, with the major highlight being the Philanthropy Australia biennial National Conference which was held in Melbourne from 31 August to 1 September, 2010. The guest speakers included Dr Susan Raymond, Executive Vice President for Research, Evaluation, and Strategic Planning for Changing Our World; Professor Pat McGorry, Australian of the Year; and Dr Michael Wesley, Director of the Lowy Institute for International Policy. Their presentations were thought provoking and very positively received by delegates, while the panel discussions which followed gave delegates the opportunity to participate and explore some of the key issues affecting the philanthropic sector.

I would like to take this opportunity to thank the organising committee and the dedicated staff in Philanthropy Australia's Sydney and Melbourne offices for their various roles in making this an outstanding event. I would also like to thank the organisations which sponsored the conference, hosted the stimulating site visits that were held immediately prior to the conference and assisted with the organisation of the conference.

In September Philanthropy Australia bid farewell to Gina Anderson who was CEO for the previous five years. I wish to place on record the appreciation of Council for the dedication and verve with which Gina served Australian philanthropy while Chief Executive. Gina led the development of Philanthropy Australia into an organisation with a truly national focus and can be justifiably proud of the progress and achievements that Philanthropy Australia made under her leadership.

In early October, Dr Deborah Seifert took on the mantle of CEO. She brings with her experience as a Trustee, a CEO and an educator and in the first few months of her incumbency has been busy engaging with Members in order to personally familiarise herself with the sector's diversity and to begin thinking about challenges and opportunities ahead.

Philanthropy Australia, in line with its mission and strategic plan, continued to monitor and respond to emerging Government policies throughout 2010, making a number of significant submissions on behalf of Members. This work is both very important and very time consuming for Council, Philanthropy Australia staff and Members.

One submission (in 2009) was to The Henry Tax Review which had the potential to adversely affect the philanthropic sector. Fortunately, following submissions from Philanthropy Australia and others, the Review, which was released in early 2010, concluded that:

"Gifts are an important source of funding for the not-for-profit sector... (philanthropy) supports pluralism, and is a transparent and administratively simple mechanism"<sup>1</sup> and recommended that gift deductibility should be retained at an individual's marginal tax rate.

The Henry Tax Review also considered the future of dividend imputation, which contributes importantly to the income of foundations. The Philanthropy Australia submission argued strongly that company income should not be taxed twice and that this feature of the tax system should be retained, which the Review endorsed<sup>2</sup>.

In addition, the Federal Government completed the removal of all clauses from government contracts which limited the ability of non-profit organisations to advocate on behalf of their constituencies. Its support for an engaged and vibrant non profit sector was also extended in 2010, in the form of the National Compact between the Federal Government and the non-profit sector.

The National Compact is a very important enabler of the non-profit sector and its potential to be a catalyst for transformational change. It is for this reason that Philanthropy Australia was delighted when it was invited by the Federal Government to be an inaugural signatory.

Philanthropy Australia also responded when the Government announced in the 2010 Budget that it would be reviewing the status of Public Ancillary Funds (PAFs). Philanthropy Australia was assisted in this work by an Expert Technical Panel drawn from the membership. I am frequently heartened by the generosity of our Members who are prepared to give their time and knowledge to promoting the philanthropic sector.

Philanthropy Australia's membership grew from 389 to 417 during 2010 reflecting not only the continuing growth and evolution in philanthropy, but also the desire by more trusts and foundations to reach out and connect with others in the sector. This desire to connect and to access the tools and events which facilitate networking and collaboration underpins many of Philanthropy Australia's new and continuing activities.

Again in the past year there was a significant increase in Member participation in Affinity Groups and forums.

Philanthropy Australia is held in high regard by government. This was evidenced when Philanthropy Australia was specifically invited by the Secretary of the Senate Economics Legislation Committee to make a submission to the Inquiry into Tax Laws Amendment (Public Benefit Test) Bill 2010.

It was further evidenced in mid 2010 when Philanthropy Australia was commissioned by the Federal Government to examine strategies to increase high net worth and ultra-high net worth giving. Together with Effective Philanthropy, Philanthropy Australia identified a number of strategies, including the importance of developing a culture in which high net worth and ultra-high net worth individuals are recognised, not only for their assets but also by what they give, and steps to progressively build a stronger culture of giving and philanthropy.

In the US, Bill Gates and Warren Buffett stepped up their efforts to persuade ultra-high net worth individuals to give much more generously through the Giving Pledge, which invites the wealthiest Americans to give the majority of their assets to philanthropy.

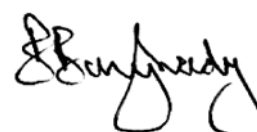
My view is that growing philanthropy is a shared responsibility of everyone engaged in the sector. As Members of the philanthropic community it is part of our responsibility to spread the word; to promote the good work that can be done via philanthropic giving; to showcase the excellent work of not-for-profit partners; to resource the analysis and dissemination of results; to share our own experiences and knowledge as widely as possible; and to promote Australian philanthropy to the stage when it reaches a tipping point, and beyond.

Finally in reflecting on 2010, none of the achievements of the past year would have been possible without the generous support of the 2010 Members and especially Philanthropy Australia's Patrons and Leading Members: Sir Gustav Nossal, Lady Southey, AMP Foundation, ANZ, Goldman Sachs & Partners Foundation, Colonial Foundation, The William Buckland Foundation, and The Myer Foundation.

It is also important to recognise and thank the individual efforts and teamwork of all Philanthropy Australia's dedicated staff members who contributed so much to the excellent results of the past year. Staff responded to the challenges of the year, supporting each other through the change of CEO and generating very high quality results.

Personally, I have been greatly assisted by Council and wish to thank its Members, who gave very generously of their time and expertise.

In 2011, Philanthropy Australia will be conducting a strategic review as the current Strategic Plan, 2007-2011, enters its final year. I am very much looking forward to engaging with Members and key people in the broader Australian community, as part of this review process, so that Philanthropy Australia can continue to build on its achievements and proud record.



Bruce Bonyhady AM  
President

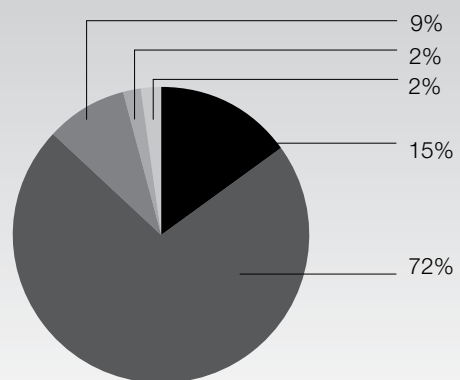
1. Australia's Future Tax System, Report to the Treasurer, December 2009, Part 2, page 60.
2. *Ibid*, pages 195 and 198.

# Membership

In 2010, Philanthropy Australia membership grew overall by 7 per cent from a total membership of 389 to 417. Full Members grew from 239 to 243 with a growth in new foundations distributing less than \$500,000 from 164 to 172. Associate Membership also grew.

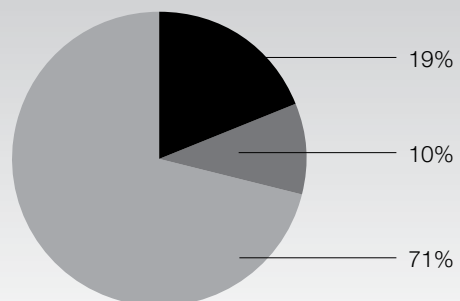
## Full Members of Philanthropy Australia by Type

Type	%	No.
■ Corporate and Business	15	37
■ Trusts and Foundations	72	174
■ Community Foundations	9	21
■ Trustee Companies	2	5
■ Government Bodies	2	6
Total	100	243



## Members of Philanthropy Australia by Annual Distribution

Annual Distribution	%	No.
■ Greater than \$1 million	19	46
■ \$500,000 to \$1 million	10	25
■ Less than \$500,000	71	172
Total	100	243





# Highlights 2010

The 2010 year began in the Australian philanthropic sector with general relief that the global financial crisis appeared to be over. However many foundations found their granting capacity was reduced due to delayed flow-on effects.

The air of optimism was enhanced by significant reforms late in 2009 with new legislation for Private Ancillary Funds (PAFs), the Productivity Commission Review of the not-for-profit sector and the formation of the Community Council for Australia.

There was also an air of drive and anticipation within the sector, with the growth of social organisations, social finance, including social impact bonds and new asset classes, and renewed emphasis on evaluation of social impact. 'Outcomes, outputs and impact' was the leading article in the Winter issue of Philanthropy Australia's journal.

The biennial National Philanthropy Australia Conference was held in Melbourne, 31 August – 1 September, 2010. Its main theme *Philanthropy: at the Tipping Point* was thought provoking and the conference was very useful for many. With over 300 delegates and interesting presentations and panel discussions, all who participated gave enormously of their time and made the two days a valuable event in the philanthropic sector. The event began with a dinner at the National Gallery of Victoria, with over 370 people networking, celebrating philanthropy and listening to guest speaker Dr Susan Raymond in the Great Hall of the National Gallery of Victoria. The next day over 320 gathered for an intense and stimulating 'thought leadership day' at the RACV Club, and enjoyed hearing from Australian of the Year Professor Pat McGorry and Dr Michael Wesley from the Lowy Institute for International Policy,

as well as a stimulating mix of panel speakers. In addition, there was a suite of six free pre-conference site visits: showcasing good practice, hosted by our Members.

The following highlights of the 2010 year report on progress against the current Strategic Plan.

## 1. Representation

**Priority:** To represent the views of Members on the issues of the day.

**Intended outcome:** The interests, issues and goals of Members are identified, considered, represented and actioned.

Philanthropy Australia's brand and positive reputation continues to build around Australia.

The growth in membership of Philanthropy Australia continued, increasing from 389 in 2009 to 417 Members at the end of 2010. This reflects not only the growth and evolution of philanthropy but also an increasing desire by trusts and foundations to connect with others in the sector and to work collaboratively. Supporting Members to connect with each other, and providing value-added information and resources remains a lynchpin of Philanthropy Australia's services.

Mid year FaHCSIA commissioned Philanthropy Australia to facilitate research in the sector on increasing high net worth giving. The recommendations from this research will provide useful information for strengthening the sector.

Following consultation with Members and utilising the expertise of the Expert Technical Committee, a response to a government paper on PAFs was submitted in December. Particular special mention should be made of the Expert Technical

Committee, drawn from Membership: Fleur Bernasochi, Sarah Davies, John Emerson, Nick Finck, Janet Hirst, Anita Hopkins, Andrew Lawson, Alice Macdougall, Robert Symons, Andrew Thomas, Christopher Thorn, Leigh Wallace, David Ward, Teresa Zolnierkiewicz who all worked effectively on the detail.

Other submissions made to government concerned the Tax Laws Amendment (Public Benefit Test) Bill and The Henry Tax Review. These submissions were prepared in consultation with Members, Council and technical experts.

Once again, Philanthropy Australia is very grateful to John Emerson and Alice MacDougall from Freehills who have been generous with their time and advice on many issues throughout 2010.

The Council and Management continued to work hard to strengthen relationships with Federal and State Governments and as a result Philanthropy Australia is seen as the key 'go to' organisation for information and advice on philanthropy. One example of this was in March, 2010, when in recognition of Philanthropy Australia's growing stature, the organisation was one of only 20 non-profit organisations invited to the launch of the National Compact in Parliament House and was one of the initial signatories. There are now more than 300 signatories to the Compact.

**Priority:** To be the leader and principal representative of a vibrant philanthropic community.

**Intended outcomes:** Recognition as a key peak body included in critical consultations, committees, groups, taskforces etc. on major issues affecting the sector.

# Highlights 2010<sub>continued</sub>

Currently Philanthropy Australia is represented on a number of key organisations and committees including the National Roundtable of Nonprofit Organisations and the Advisory Board (Victoria) of the Centre for Social Impact.

Gina Anderson, CEO of Philanthropy Australia until September 2010, was a spokesperson at two ABF sessions in Adelaide. She attended a CSI Course on Philanthropy in Sydney and a seminar on Social Networking. She also attended the QUT CPNS session on transparency and regulation and the 25th anniversary function for International Women's Development Agency, the Jonathan Mills Arts Lecture, the Melbourne Business School 'Women and Management Dinner', and the Trust Company 125 year anniversary and was a delegate to the European Foundation (including the European Foundation Centre) Conference. During her tenure in 2010 she also attended the launch of the Community Council of Australia in Sydney and Melbourne. Philanthropy Australia was a founding member of the CCA. Gina also attended the Millennium Development Lunch with Muhammad Yunus, the Third Sector Women's Networking Lunch, met with a Chinese Delegation from the PRC Ministry of Civil Affairs hosted by the Australian Human Rights Commission, attended the CSI Investing for Impact Forum and the Trans-Tasman Lunch with guest speaker Westpac CEO Gail Kelly. She was a Jury Member for judging the PwC Transparency Awards, and attended a dinner with the Board of the Indigenous Enterprise Ltd.

Since her appointment as CEO of Philanthropy Australia in October 2010 Dr Deborah Seifert has attended the National Roundtable of Nonprofit

Organisations attended by the Minister for Social Inclusion The Hon. Tanya Plibersek, has had meetings with CEOs in Melbourne and Sydney and met with chairs and member representatives of several Affinity Groups in Sydney and Melbourne. She has attended meetings of the Melbourne Advisory Group of the CSI, Chain Reaction Breakfasts, the Transfield Foundation launch, attended a Sydney Government House Reception for the Hands Up for Literacy and Numeracy Foundation, and attended the Mercy Foundation/University of Melbourne Dinner launch of the new Chair of Maternal Fetal Medicine. She spoke at the London Benchmarking Group Conference, Melbourne Panel and participated in a Radio National Panel on Giving.

A number of other Philanthropy Australia staff have spoken on radio, and at seminars, forums and events, representing the organisation very effectively.

## Membership Survey

An online Membership Survey was conducted from 20 March to 9 April 2010. This was the first survey for eight years. The survey was emailed to Full Members and there was a 44 per cent response rate. The Survey Report was distributed to all Members.

## 2. Grow and Inspire

**Priority:** Promoting and facilitating a larger and stronger philanthropy sector.

**Intended outcome:** Grow the overall level of philanthropy in Australia.

Strategic alliances with like-minded organisations and networks to build collaborative action for the wellbeing of the community.

Over the past 12 months Philanthropy Australia continued to develop and publish information services for Members and the wider community. Feedback on these initiatives has been very positive.

## Website

The primary Philanthropy Australia website continues to attract great usage. At the end of 2010, on average, up to 13,500 unique visitors used the website each month. The site remains Philanthropy Australia's key and growing interface with the public.

## PAF Website

This website has also seen increasing usage with total of 10,343 unique visitors for the year. Website visitors peaked at 1,063 in March and the average unique visitors per month was 862.

The PAF Handbook was downloaded a total of 2,439 times between January to December 2010.

## PhilanthropyWiki

The Wiki is now being accessed from around the world, being the first port of call for resources on Australian philanthropy. The PhilanthropyWiki visitor numbers increased over 2010 with over 54,000 visitors each month.

## Blog

The philanthropyOz Blog has increased its popularity growing from 485 subscribers in December 2009 to 686 by the end of 2010. The blog provides regular updates on Australian philanthropy, including sector-wide news, review posts from Philanthropy Australia staff, and notifications of website updates, via email or RSS aggregator. Many Members now regard this service as an essential read to keep abreast of sectoral news.

## Twitter

The Philanthropy Australia account was created in August 2010. Although a relatively new addition to Philanthropy Australia's communications base, the Twitter account has seen much success in its first three months of activity, with over 200 unique followers by end of December. This medium has been a great success in creating discussion, sharing knowledge and connecting with philanthropic counterparts across the globe.

## Strategic Alliances

To create a greater awareness of the role of philanthropy, Philanthropy Australia continues to work collaboratively with a number of like-minded organisations. Throughout 2010 these included Artsupport Australia, the Australian Women Donors Network, the Centre for Social Impact, the Australian Environmental Grantmakers Network (AEGN), the Foundation for Rural and Regional Renewal (FRRR), and the Centre for Philanthropy and Nonprofit Studies at QUT.

**Priority:** Lead discussion on the positive contribution of philanthropy to the wellbeing of the community and be an active participant in the major issues affecting community wellbeing.

**Intended outcome:** Growth in media interest and positive media coverage.

## Media

Philanthropy Australia continued to achieve a high profile over the past year with quotations and positive media coverage for both philanthropy and Philanthropy Australia. Journalists regularly approach Philanthropy Australia with requests for comment. Anecdotally, the nature of the enquiries received from the public indicates that the general understanding of philanthropy in the community is rising.

Philanthropy Australia staff were also invited to present in a wide variety of conferences and seminars.

## 3. Effectiveness

**Priority:** Improve the effectiveness of philanthropy and the community's understanding of the role of philanthropy.

**Intended outcome:** Better measures of community wellbeing, social capital and the contribution of philanthropy.

In December 2010, Philanthropy Australia launched *A Grantmakers Guide* written by Vanessa Meachen who runs the very successful Grantseeker Workshops. This guide was funded generously by The Westpac Foundation enabling Philanthropy Australia to provide the guide online free of charge to all community organisations. The guide is written as a basic introduction for new grantmakers, to introduce them to the processes and challenges they might encounter, the terminology of the sector, and what further resources are available.

The immediate feedback was excellent, and the publication is now included in the recommended introductory reading for students undergoing Social Investment and Philanthropy courses at Swinburne University's Asia Pacific Centre for Social Investment and Philanthropy.

Nine Grantseeker Workshops were held in 2010: four in Melbourne, three in Sydney, and one each in Adelaide and Brisbane. In addition Philanthropy Australia was commissioned to run Grantseeker Workshops for Deakin University and Australian National University. Workshops were also held for Australia Business Arts Foundation in Hobart and Perth.

Vanessa Meachen spoke at the Fundraising Institute of Australia conference and the OurCommunity Best Practice in Grants Management Conference, as well as making a presentation on 'How Philanthropy Works' for the Victorian Government.

Vanessa Meachen was also interviewed on radio several times, including local ABC stations in Ballarat, Adelaide, Melbourne and South East NSW, as well as on ABC Life Matters.

**Priority:** Improve the efficiency and effectiveness of Philanthropy Australia for its Members.

**Intended outcome:** Positive feedback from Members on Philanthropy Australia's performance.

## Information Services

The weekly media alert service, *PRESSing Matters*, which monitors print media from around Australia and lists articles related to the philanthropic and not-for-profit sectors, is one of the services most valued by Members. There were 1,113 subscribers to *PRESSing Matters* by December. This demonstrates that Members value the service because it is tailored to their special requirements for the latest news on philanthropy and related topics.

Similarly the monthly online newsletter for Members, *Philanthropy Review*, achieved a wider readership with over 1,205 subscribers. It is very well received, as evidenced by the instant response to events advertised in the *Review* after each issue is published. The *Review* was revamped in October and it is now easier to read and produce electronically.

# Highlights 2010<sub>continued</sub>

The online edition of *The Australian Directory of Philanthropy*, remains popular.

*Australian Philanthropy*, the flagship journal written by and for Members, continued to provide stimulating analytical reports on sectorial developments. The three issues in 2010 were: *Maturing philanthropy: challenging complacency and learning from experience*; *Health, wellbeing and medical research philanthropy*; and *Outcomes, outputs and impact*. The feedback from Members following the publication of each of these issues was very positive.

During the year a complete rewrite of *A Guide to Giving for Australians* was undertaken and the guide continues to be downloaded over 300 times per month from the website.

## Member Events

2010 saw excellent attendances across a packed program of events for Members. Philanthropy Australia coordinated more than 53 events in Victoria and 28 in New South Wales. These included Member events, Network and Affinity Group meetings. A new Education Affinity Group and Health and Medical Research Forum were held in Sydney. In addition to these new Groups there are Affinity Groups representing Members from the following sectors: Arts, Indigenous Affairs, Ageing Futures, Homelessness, and Disability. There are also well established network groups for the Corporate, CEO, Environment, Philanthropy Workers and Women Donors sectors.

## The Sydney Mid Year Update 28 July 2010

Each year Sydney has a mid year update event for all Members of Philanthropy Australia. This is an opportunity for Members to meet

and for new Members to network. The President of Philanthropy Australia, Mr Bruce Bonyhady AM, presented an overview of recent developments and factors affecting philanthropy both in Australia and overseas.

## CEO Forums

These networks were established in 2009 for the Chief Executive Officers of large Member trusts and foundations (disbursing \$1 million plus annually) in both Melbourne and Sydney. During 2010 these forums continued to provide an opportunity to meet together to discuss relevant sector issues and to network with peers without having a structured agenda. The Chairs of Philanthropy Australia's Affinity Groups also participated.

## Community Foundations

Philanthropy Australia conducted the Annual National Community Foundations Forum in Melbourne in November and held regional forums in the Hunter region and ACT. This involved utilising the expertise of Andrew Lawson – Philanthropy Australia's Community Foundations Development Officer, who is also a trustee of the Geelong Community Foundation.

## Affinity Groups and Networks

Again this year there was a significant increase in Member participation at Affinity Groups and Forums, reflecting the trend towards collaboration. This attests to the quality of Chairs, discussions and speakers which have been organised through Philanthropy Australia's Membership Managers.

Paul Clitheroe AM launched The Philanthropy Australia Sydney Education Affinity Group in March. This group has a strongly committed chairman in Kevin Farmer, Director

of Community Relations of Goldman Sachs who organised some very stimulating sessions for Members and which have been well attended. The Inaugural Circle of Learning Concept – otherwise known in the sector as speed dating – was launched in Sydney. This was an extremely popular session and it is planned to continue the event in 2011.

There was an extremely active series of Affinity Group meetings. Each was chaired by Members and Philanthropy Australia is particularly appreciative of the energy, effort and dedication that all Chairs bring to their very important roles. Philanthropy Australia therefore thanks each of them on behalf of all Members

In Melbourne the Groups and their Chairs during 2010 were:

- Ageing Futures Affinity Group: Anita Hopkins (Equity Trustees)
- Arts Affinity Group: Ian Roberts, (Harold Mitchell Foundation)
- CEO Network: Gina Anderson, Deborah Seifert (Philanthropy Australia)
- Corporate Network: Sarah Buckley (PricewaterhouseCoopers Foundation)
- Disability Affinity Group: Chair, Laurence Joseph (Gandel Charitable Trust): hosts, State Trustees
- Education Affinity Group: Pete Baynard-Smith (Foundation for Young Australians), Chris Wootton (Helen Macpherson Smith Trust), David Hardie (The Myer Foundation)
- Health and Medical Research: Daniel Rechtman (CASS Foundation)
- Indigenous Affinity Group: Sarah Davies (Melbourne Community Foundation) and Tanya Hosch (Rio Tinto Aboriginal Fund)

In Sydney, the Groups and their Chairs were:

- Addressing Homelessness Affinity Group: Annette Bain (Freehills Foundation)
- Arts Affinity Group: Louise Walsh (Artsupport Australia)
- Corporate Foundations Network: Julie White (Macquarie Group Foundation)
- Education Affinity Group: Kevin Farmer (Goldman Sachs)
- Indigenous Affinity Group: Helen Liondos (AMP Foundation)
- Private Ancillary Fund Network: Sam Meers (Nelson Meers Foundation)
- CEO Network Gina Anderson, Deborah Seifert Philanthropy Australia (Philanthropy Australia)

A Health and Medical Research Forum was held in Melbourne in May with Sir Gustav Nossal as special guest. Meetings with the AEGN (climate change and environment) and with FRRR (Victorian bushfires response) group were also held.

The second Health and Medical Research Forum for Sydney was held in October in collaboration with Research Australia to encourage greater funding by the sector to this area.

An International Giving Forum was held in August when it became evident that many Members, especially generation X and Y as they embark upon global travels, would like to contribute in an effective manner especially in countries of need. There will be follow-up session in 2011 in this growing area.

Philanthropy Australia strongly believes in facilitating collaboration in the sector, and this year supported the *Polly and Me* screenings with the Caledonia Foundation, NAPCAN

and Goldman Sachs; Gender Lens Workshop; Australian Women Donors Network especially the Tracey Gary tour, Australian Environmental Grantmakers Network, QUT in research, and the Rio Tinto Aboriginal Fund.

#### 4. Governance

**Priority:** Encourage strong and transparent governance within the philanthropic sector.

**Intended outcomes:** Trustees and Members who maintain sound governance policies and practices, and report regularly on the outcomes of their philanthropic contributions.

Effective education and professional development for Members and the sector more generally.

Philanthropy Australia provides professional development programs for Members and the sector. The demand for Grantseeker Workshops across Australia has continued and this is a testimony to the excellent facilitator Vanessa Meachen.

Six Trustee Seminars presented by David Ward were conducted in Melbourne and Sydney with small groups of Members, focusing on the governance of philanthropic foundations, and of Private Ancillary Funds in particular.

The Governance Seminars presented by David Ward were also extremely well-received.

**Priority:** Philanthropy Australia is recognised as a well governed and financially-sound peak body.

**Intended outcomes:** Transparent and sustainable membership organisation with strong support throughout the philanthropic sector.

The Council of Philanthropy Australia met six times and the Audit, Risk and Finance Committee met four times during 2010.

#### Environmental Sustainability

In 2010 Philanthropy Australia continued measures to minimise the organisation's impact upon the environment through reduced resource consumption by

- Continuing with paper conservation policies (providing electronic copies where possible, using recycled paper, reusing paper)
- Using the services of a not-for-profit courier who is committed to being environmentally friendly
- Participating in carbon offset schemes where possible when using air travel
- Purchasing energy-efficient/ low-energy computer equipment and using an e-waste recycling program to dispose of old hardware
- Continuing a practice of turning off lights and equipment when not in use

Philanthropy Australia aims to continue to provide resources that meet the needs of our Members to support and grow philanthropy for a more civil society.

# Council Members

## President

### Mr Bruce Bonyhady AM

Bruce Bonyhady is Chairman of Acadian Asset Management Australia Limited, a Director of Dexus Wholesale Property Limited and a Member of the UniSuper Investment Committee.

Mr Bonyhady is also a Member of the Independent Panel advising the Productivity Commission in its inquiry into a National Disability Long-term Care and Support Scheme. Community positions held by Mr Bonyhady are: Chairman of Yooralla and Chairman of the Advisory Panel to Solve! at the Royal Children's Hospital, Melbourne.

Mr Bonyhady was formerly Chairman of ANZ Trustees Limited, a Member of the Felton Bequests' Committee and a Member of the Disability Investment Group.

## Melbourne Vice President

### Ms Dur-e Dara OAM

Dur-e Dara is a restaurateur, business woman and musician. She describes herself as Indian by race, Malaysian by birth and an Australian citizen by choice. She is the Convenor of the Victorian Women's Trust, on the board of management of La Mama Theatre, and Patron of the Victorian Foundation for Survivors of Torture.

## Sydney Vice President

### Ms Samantha Meers

Sam Meers is the Executive Director of the Nelson Meers Foundation which her father, Nelson, and she established in 2001 to support projects that foster innovative cultural expression, and that utilise the arts to create positive social change. The Nelson Meers Foundation was Australia's first Prescribed Private Fund and, in 2005, was the winner of the AbaF/Goldman Sachs JB Were *Philanthropy Leadership Award*.

Sam is also a board member of the Australian Women Donors Network; Documentary Australia Foundation; a council member of the Centre for Social Impact Advisory Council; a council member of The Climate Institute Strategic Council; a council member of the Power Institute; and an Ambassador for Al Gore's Climate Change Leadership Program.

Prior to establishing the Nelson Meers Foundation, Sam practised as a specialist media lawyer, initially with two of Sydney's leading law firms and then as in-house counsel with Grundy Television. She was subsequently a director with SHOWTIME, a joint venture between Liberty Media and four Hollywood Studios, during which time she was a founding board member and Deputy Chair of ASTRA, the Australian Subscription Television and Radio Association.

## Treasurer

### Mr David Ward

David Ward is a consultant and Director specialising in charitable trusts. He is the author of *Philanthropy Australia's Trustee Handbook: Roles and duties of trustees of charitable trusts and foundations in Australia* (2008) and *Private Ancillary Funds Trustee Handbook* (2009). He conducts Philanthropy Australia's Governance seminars and is also a visiting lecturer on governance of philanthropic trusts at Swinburne University.

David was a Director and Managing Director of ANZ Trustees which is Trustee for over 300 Charitable Trusts of all types. He has been Trustee Representative on several charitable trusts including the Hugh DT Williamson Foundation, the Alexander Miller Estate and the Alexander Wright Wales Trust.

## Chief Executive Officer

### Ms Gina Anderson

(to September 2010)

Gina Anderson joined Philanthropy Australia in November 2005. She has diverse experience in large and small, public and private organisations, having held general management, human resources, corporate community and communications roles. Prior to joining Philanthropy Australia Gina was General Manager Human Resources for St Hilliers, an integrated property development and construction company. She had seven years at Westpac Banking Corporation in a variety of management roles including Head of Community Involvement.

From 1992 to 1995 Gina lived and worked in Jordan, a moderate Islamic, developing country as the personal assistant to HRH Prince El Hassan Bin Talal. Gina was a Director of Father Chris Riley's Youth Off The Streets Ltd (resigned December 2008). Gina was a delegate at the Australian Government 2020 Summit in the Strengthening Communities, Supporting Families and Social Inclusion streams.

### Dr Deborah Seifert

(from October 2010)

Dr Deborah Seifert joined Philanthropy Australia in October 2010. She has a background in the not-for-profit sector in leadership, governance, strategic planning, management, development and review, as well as 10 years experience as a Trustee in the philanthropic sector.

Deborah was previously Head of University College at The University of Melbourne, and Head of Fintona Girls' School. Her doctorate is in the area of Leadership. Deborah has been a Director of The Invergowrie

Foundation and Chair of the Mary Jane Lewis Scholarship Trustees in association with the Dafydd Lewis Trust and ANZ Trustees. She is currently a Member of Council for the Victorian Branch of the Australian Institute of International Affairs.

Deborah has extensive experience in working with a range of stakeholders and engaging with broad sections of the community. This experience will be highly valued in her new role, working with donors, Trustees and staff of foundations who are increasingly collaborating with each other, and with government and not-for-profit partners to achieve increased social returns.

#### **Mr Paul Clitheroe AM**

Paul Clitheroe is a Director of ipac securities, a company he founded in 1983 with four partners. ipac manages more than \$16 billion dollars for clients. Paul is a leading media commentator on financial issues. His books have sold over 600,000 copies. Paul is also a regular radio commentator and writes weekly newspaper columns.

He was host of the Channel 9 TV program *Money* from 1994 to 2004 and has been Chairman and Chief Commentator of *Money* magazine since 1999.

In 2004, the Federal Government appointed Paul as Chairman of the Consumer and Financial Literacy Foundation. This Foundation has established a national strategy to improve the financial skills of all Australians and is now implementing this strategy in schools and the workplace. In 2008 Paul was reappointed as Chairman of the Australian Government's Financial Literacy Board.

He is Chairman of the youth drink driving organisation RADD, and a member of the Sydney University Medical Faculty Council. Paul is Chairman of the Clitheroe Foundation, a PAF established in 2003.

#### **Mr Timothy Fairfax AM**

Tim Fairfax is a businessman, grazier and philanthropist. He is Chairman of the Vincent Fairfax Family Foundation, Chairman of the Tim Fairfax Family Foundation and a Director of the Foundation for Rural & Regional Renewal; Trustee of the Queensland Art Gallery and President of the Queensland Art Gallery Foundation; Chairman of the National Portrait Gallery; Chairman, Salvation Army Brisbane Advisory Board; and Councillor of the Royal National Association. He is also Patron, AMA Queensland Foundation. His business interests include being a Director of Cambooya Pty Ltd and Principal of TV Fairfax Pastoral, Strathbogie Pastoral Company and JH Fairfax & Son.

#### **Mr Terry Macdonald**

Terry Macdonald is now fully involved in the work of Community Service Organisations. His initiation to the Community sector was as a Councillor in the City of Nunawading. He was President of the Reach Out for Kids Foundation 1996-2003 and is currently Chairman of a Community Centre and a Volunteer Resource Centre and Deputy Chair of a Community Chest and of the Reach Out for Kids Foundation.

He was a member of the Board of the Lord Mayor's Charitable Fund from 1999 to 2006 and was Chairman of its Grants Committee and a member of the Executive Committee of the Fund 2003-2006. He was a member of the Board of United Way Australia 2005-2007 and was a member of the Hosting Committee of UWA for the United Way World Congress in Melbourne in 2006.

Terry's initial career as a senior Engineering and Management executive was in the Federal Departments of Civil Aviation, Transport and Defence. Following involvement in the Consulting field and in lecturing in Management Studies at Monash University, he had, from 1994 to 2003, executive roles in the asset and facilities management areas of three of Melbourne's major Universities, Monash, RMIT and Melbourne.

#### **Dr Noel Purcell**

Noel Purcell is the Principal of Simply Good Business, specialising in strategic advice to corporations, government and not-for-profit organisations on sustainability and governance challenges.

He is currently the Chair of the Global Governing Board of the CAUX Round Table, and a Trustee and Board Member of several charitable organisations. He also advises a range of organisations on Climate Change and is an ambassador for Al Gore's Climate Project global initiative.

Noel retired from Westpac in September 2008 having spent 23 years in senior executive roles. This included leading Westpac's globally recognised corporate governance, responsibility, and sustainability and community initiatives. Prior to joining Westpac, Noel served at senior executive level within the Federal Public Service within Prime Minister and Cabinet, The Office of National Assessments, and the Australian Bureau of Statistics.

Noel's professional achievements were recognised when he was included in Ethical Corporations 2007 Best of the Best – the top 15 ethical leaders globally who have made the biggest difference.

# Council Members continued

## **Mr Christopher Thorn**

Christopher Thorn is the Executive Director of JBWere's Philanthropic Services team, where his primary responsibilities include raising awareness of philanthropic issues; providing advice on investment and capital management to individuals and organisations wishing to implement a philanthropic strategy; and fostering relationships between interested parties in order to facilitate the giving process.

Christopher joined JBWere in 1984 and worked in Melbourne as a Retail and Institutional Adviser. In 1993 Christopher moved to New York as Vice President Institutional Sales. Upon returning to Australia in 1996 he was appointed Manager of JBWere's Queensland business, until returning to Melbourne in 2001.

Christopher has held a variety of senior management roles within business, including business integration and strategy. In 2002, Christopher established the firm's Philanthropic Services division.

Christopher is a Chairman of StreetSmart Australia – a campaign established to provide financial support to the homeless sector, Chairman of ShareGift Australia and also Vice-President of the Camberwell Grammar School Foundation.

## **Audit, Finance and Risk Committee**

Mr David Ward (Chair)  
Mr Terry Macdonald  
Dr Noel Purcell  
Mr Christopher Thorn

## **Governance Committee**

Mr Bruce Bonyhady (Chair)  
Mr Chris Arnold  
Ms Dur-e Dara  
Ms Samantha Meers



# Statement of Comprehensive Income

For the year ended 31 December 2010

	Note	2010 \$	2009 \$
Revenue	2(a)	1,336,784	989,288
Changes in inventories of publications held for resale		(8,789)	(9,232)
Distribution costs		(2,187)	(2,866)
Employee and salary costs		(741,059)	(695,112)
Depreciation expense		(5,305)	(10,635)
Consultants costs		(77,298)	(18,988)
Membership services		(44,665)	(46,211)
Promotion		(271,240)	(27,892)
Travel		(50,380)	(40,896)
Bad/doubtful debts		(1,714)	-
Premise expenses		(27,167)	(26,339)
Other expenses from ordinary activities		(95,233)	(104,600)
		(1,325,037)	(982,771)
<b>Surplus before income tax expense</b>	2(b)	<b>11,747</b>	6,517
Income tax expense	1(b)	-	-
Surplus for the period attributable to the Association		<b>11,747</b>	6,517
<b>Other comprehensive income for the year net of income tax</b>		-	-
<b>Total comprehensive income for the year</b>		<b>11,747</b>	6,517

*The accompanying notes form part of these financial statements.*

# Statement of Financial Position

As at 31 December 2010

	Note	2010 \$	2009 \$
<b>Current Assets</b>			
Cash and cash equivalents	3	409,713	381,825
Trade and other receivables	4	121,382	108,856
Inventory		1,135	6,864
Other current assets		4,960	5,054
		<b>537,190</b>	<b>502,599</b>
<b>Non-Current Assets</b>			
Plant and equipment	5	5,274	5,890
<b>Total Non-Current Assets</b>		<b>5,274</b>	<b>5,890</b>
<b>Total Assets</b>		<b>542,464</b>	<b>508,489</b>
<b>Current Liabilities</b>			
Trade and other payables	6	58,842	71,696
Subscriptions received in advance:			
Members		264,789	226,684
Grants and other income received in advance		3,532	6,082
Provisions	7(a)	28,688	23,139
<b>Total Current Liabilities</b>		<b>355,851</b>	<b>327,601</b>
<b>Non-Current Liabilities</b>			
Provisions	7(b)	16,530	22,552
<b>Total Non-Current Liabilities</b>		<b>16,530</b>	<b>22,552</b>
<b>Total Liabilities</b>		<b>372,381</b>	<b>350,153</b>
<b>Net Assets</b>		<b>170,083</b>	<b>158,336</b>
<b>Equity</b>			
Retained surplus		170,083	158,336
<b>Total Equity</b>		<b>170,083</b>	<b>158,336</b>

*The accompanying notes form part of these financial statements.*

# Statement of Changes in Equity

For the year ended 31 December 2010

	Retained Surplus	Total
	\$	\$
Balance at 1 January 2009	151,819	151,819
Total comprehensive income for the year		
Surplus attributable to Association	6,517	6,517
Total comprehensive income for the year	6,517	6,517
<b>Balance at 31 December 2009</b>	<b>158,336</b>	<b>158,336</b>
Total comprehensive income for the year		
Surplus attributable to Association	11,747	11,747
Total comprehensive income for the year	11,747	11,747
<b>Balance at 31 December 2010</b>	<b>170,083</b>	<b>170,083</b>

*The accompanying notes form part of these financial statements.*

# Statement of Cash Flows

For the year ended 31 December 2010

	Note	2010	2009
		\$	\$
		Inflows (Outflows)	Inflows (Outflows)
Cash flows from operating activities:			
Cash receipts from Members		1,167,990	803,345
Receipt from sales of publications		94,952	116,723
Grants received		77,549	66,228
Interest received		19,322	13,681
Cash paid to suppliers and employees		(1,327,236)	(978,980)
Net cash provided by operating activities	11(b)	32,577	20,997
Cash flows from investing activities:			
Purchase of office equipment		(4,689)	(817)
Net cash used in financing activities		(4,689)	(817)
Net increase in cash and cash equivalents		27,888	20,180
Cash and cash equivalents at the beginning of the period			
Cash and cash equivalents at the end of the period	11(a)	409,713	381,825

*The accompanying notes form part of these financial statements.*

# Notes to the Financial Statements

For the year ended 31 December 2010

The financial statements cover Philanthropy Australia Inc as an individual entity. Philanthropy Australia Inc is an association incorporated and domiciled in Australia.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board and the Associations Incorporation Act (Vic) 1981.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The following is a summary of the material accounting policies adopted by the Association in the preparation of the financial report.

#### (a) Revenue

Revenue from the sale of goods is recognised upon delivery of goods to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from Full, Associate and Resource Centre Members is recognised when invoiced. When the payment is received, the portion paid in advance is accounted for as unearned income and amortised over the remainder of the subscription year.

Revenue from Leading Members fees are treated as grants received and brought to account as income when invoiced.

#### (b) Income Tax

The Association is an income tax exempt charitable entity under subsection 50B of the ITAA 1997.

#### (c) Inventories

Inventories consist of finished goods, being publications, and are measured at the lower of cost and net realisable value. Costs are assigned on a specific identification basis and include direct costs and appropriate overheads, if any.

#### (d) Plant and Equipment

Each class of plant and equipment is carried at cost or fair values less, where applicable, accumulated depreciation and impairment losses.

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Plant and equipment that have been contributed at no cost, or for nominal cost are valued at the fair value of the asset at the date it is acquired.

# Notes to the Financial Statements continued

For the year ended 31 December 2010

## *Depreciation*

The depreciation rates amount of all furniture and equipment are depreciated on a straight line basis over useful lives of the assets to the Association commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable asset are:

	<i>Depreciation Rate</i>
Furniture and Fixtures	30 per cent
Office Equipment	30 per cent

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

## **(e) Financial Instruments**

### *Initial Recognition and Measurement*

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the Association commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

### *Classification and Subsequent Measurement*

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as: (i) the amount at which the financial asset or financial liability is measured at initial recognition; (ii) less principal repayments; (iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and (iv) less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The Association does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

### *(i) Financial assets at fair value through profit or loss*

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

*(ii) Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost.

*(iii) Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Association's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

*(iv) Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

*(v) Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

**Fair Value**

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

**Impairment**

At each reporting date, the Association assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

**Financial Guarantees**

Where material, financial guarantees issued, which require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due, are recognised as financial liabilities at fair value on initial recognition. The guarantee is subsequently measured at the higher of the best estimate of the obligation and the amount initially recognised less, when appropriate, cumulative amortisation in accordance with AASB 118: Revenue. Where the entity gives guarantees in exchange for a fee, revenue is recognised under AASB 118.

The fair value of financial guarantee contracts has been assessed using the probability-weighted discounted cash flow approach. The probability has been based on:

- the likelihood of the guaranteed party defaulting in a year's period;
- the proportion of the exposure that is not expected to be recovered due to the guaranteed party defaulting; and
- the maximum loss exposed if the guaranteed party were to default.

**Derecognition**

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

**(f) Leases**

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

# Notes to the Financial Statements continued

For the year ended 31 December 2010

## **(g) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts.

## **(h) Employee Entitlements**

Provision is made for the Association's liability for the employee entitlements arising from services rendered by employees to reporting date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and long service leave, which will be settled after one year, have been measured at their nominal rate. Other employee entitlements payable later than one year have been measured at the present value of estimated future cash outflows to be made for those entitlements.

Contributions are made by the Association to an employee superannuation fund and are charged as expenses when incurred.

## **(i) Goods and Services Tax**

Revenues, expenses and assets are recognised net of the amount of goods and services tax ("GST"), except where the amount of GST incurred is not recoverable from the Australian Tax Office ("ATO"). In these circumstances the GST is recognised as part of the cost of the acquisition of the asset or as part of an item of expense. Receivables and payables are stated with the amount of GST included.

The net amount of the GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position. Cash flows are included in the statement of cash flows on a gross basis.

## **(j) Impairment of Assets**

At each reporting date, the Association reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair values less costs to sell and value-in-use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where the future economic benefits of the asset are not primarily dependent upon on the asset's ability to generate net cash inflows and when the Association would, if deprived of the asset, replace its remaining future economic benefits, value-in-use is depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an asset's class, the Association estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

## **(k) Critical Accounting Estimates and Judgements**

The Council Members evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trend and economic data, obtained both externally and within the Association.

### ***Key Estimates – Impairment***

The Association assesses impairment at each reporting date by evaluating conditions specific to the Association that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the assets is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates. No impairment has been recognised in the financial statements for the year ended 31 December 2010.



#### **Key Judgements – Doubtful Debts Provision**

No doubtful debt provision has been made at 31 December 2010.

#### **(l) Adoption of New and Revised Accounting Standards**

During the current year, the Association has adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

The adoption of these Standards has impacted the recognition, measurement and disclosure of certain transactions. The following is an explanation of the impact the adoption of these Standards and Interpretations has had on the financial statements of Philanthropy Australia Inc:

- AASB 2009–4: Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 2 and AASB 138 and AASB Interpretations 9 & 16] (applicable for annual reporting periods commencing from 1 July 2009) and AASB 2009–5: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139].

These Standards detailed numerous non-urgent but necessary changes to Accounting Standards arising from the IASB's annual improvements project.

Application of these Standards has not resulted in a material impact on the preparation and presentation of the financial statements of the Association.

#### **(m) New Accounting Standards for Application in Future Periods**

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods and which the Association has decided not to early adopt. A discussion of those future requirements and their impact on the Association is as follows:

- AASB 9: Financial Instruments and AASB 2009–11: Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12] (applicable for annual reporting periods commencing on or after 1 January 2013).

These Standards are applicable retrospectively and amend the classification and measurement of financial assets. The Association has not yet determined any potential impact on the financial statements.

The changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- simplifying the requirements for embedded derivatives;
- removing the tainting rules associated with held-to-maturity assets;
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument; and
- requiring financial assets and to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows.

# Notes to the Financial Statements continued

For the year ended 31 December 2010

- AASB 124: Related Party Disclosures (applicable for annual reporting periods commencing on or after 1 January 2011).

This Standard removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities and clarifies the definition of a 'related party' to remove inconsistencies and simplify the structure of the Standard. No changes are expected to materially affect the Association.

- AASB 2009–12: Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052] (applicable for annual reporting periods commencing on or after 1 January 2011).

This Standard makes a number of editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRSs by the IASB. The Standard also amends AASB 8 to require entities to exercise judgement in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures. The amendments are not expected to impact the Association.

- AASB 2009–14: Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement [AASB Interpretation 14] (applicable for annual reporting periods commencing on or after 1 January 2011).

This Standard amends Interpretation 14 to address unintended consequences that can arise from the previous accounting requirements when an entity prepays future contributions into a defined benefit pension plan.

The Association does not anticipate early adoption of any of the above Australian Accounting Standards.

The financial report was authorised for issue on 24 February 2011.

	2010	2009
	\$	\$
<b>2(a). REVENUE</b>		
Leading Members fees	125,000	150,000
Full Members fees	437,397	445,601
Associate Members fees	185,091	154,444
Resource Centre subscriptions	14,557	14,333
Workshop fees	51,264	32,037
Publication sales	92,679	83,675
Journal subscriptions	2,273	3,676
Grants	77,549	57,055
Conference income	302,500	-
Other	48,474	48,467
	<b>1,336,784</b>	<b>989,288</b>

Revenue from Leading Members fees are treated as grants received and brought to account as income in the year it is due.

### 2(b). SURPLUS FOR THE YEAR

Surplus for the year has been arrived at after charging/crediting the statement of comprehensive income:

Depreciation expenses	5,305	10,635
Bad/doubtful debts	1,714	-
Auditor's remuneration	7,000	6,600

### 3. CASH AND CASH EQUIVALENTS

Cash on hand	457	236
Cash at bank	40,069	31,141
Cash on deposit	369,187	350,448
	<b>409,713</b>	<b>381,825</b>

# Notes to the Financial Statements continued

For the year ended 31 December 2010

## 4. TRADE AND OTHER RECEIVABLES

	2010	2009
	\$	\$
Subscriptions receivable	100,004	62,109
Other receivables	21,378	46,747
<b>Total trade and other receivables</b>	<b>121,382</b>	<b>108,856</b>

Current trade receivables are non-interest bearing and are generally receivable within 30 days.

A provision for impairment is recognised against subscriptions where there is objective evidence that an individual trade receivable is impaired.

Movement in provision for impairment:

Balance at beginning of the year	-	-
Impairments losses recognised on receivables	1,714	-
Amounts written off during the year as uncollectible	(1,714)	-
Balance at end of year	-	-

### Credit Risk

The Association has no significant concentration of credit risk with respect to any single counterparty or group of counterparties other than those receivables specifically provided for and mentioned within Note 5.

The main source of credit risk to the entity is considered to relate to the class of assets described as subscriptions receivable.

	Gross Amount \$	Past Due and Impaired \$	Past Due But Not Impaired Days (overdue)				Within Initial Trade Terms \$
			<30	31-60	61-90	>90	
<b>2010</b>							
Subscriptions receivable	100,004	-	-	12,818	5,260	27,540	54,386
Other receivables	21,378	-	-	19,998	-	1,380	-
<b>Total</b>	<b>121,382</b>	<b>-</b>	<b>-</b>	<b>32,816</b>	<b>5,260</b>	<b>28,920</b>	<b>54,386</b>

	Gross Amount \$	Past Due and Impaired \$	Past Due But Not Impaired Days (overdue)				Within Initial Trade Terms \$
			<30	31-60	61-90	>90	
<b>2009</b>							
Subscriptions receivable	62,109	-	16,280	13,090	5,060	8,170	19,509
Other receivables	46,747	-	24,575	145	-	-	22,027
<b>Total</b>	<b>108,856</b>	<b>-</b>	<b>40,855</b>	<b>13,235</b>	<b>5,060</b>	<b>8,170</b>	<b>41,536</b>

## 5. PROPERTY, PLANT AND EQUIPMENT

	2010	2009
	\$	\$
Office furniture		
At cost	16,038	16,038
Less accumulated depreciation	(16,038)	(15,742)
	-	296
Office equipment		
At cost	88,421	83,734
Less accumulated depreciation	(83,147)	(78,140)
	5,274	5,594
	5,274	5,890

	Office Furniture \$	Office Equipment \$	Total \$
<b>Gross Carrying Amount</b>			
Balance at 31 December 2009	16,038	83,734	99,772
Additions	-	4,687	4,687
Disposals	-	-	-
Balance at 31 December 2010	16,038	88,421	104,459
<b>Accumulated Depreciation</b>			
Balance at 31 December 2009	(15,742)	(78,140)	(93,882)
Depreciation expense	(296)	(5,007)	(5,303)
Disposals	-	-	-
Balance at 31 December 2010	(16,038)	(83,147)	(99,185)
<b>Net Book Value</b>			
As at 31 December 2009	296	5,594	5,890
As at 31 December 2010	-	5,274	5,274

## 6. TRADE AND OTHER PAYABLES

	2010	2009
	\$	\$
Trade payables	1,077	3,198
Accruals	7,222	7,605
Others	21,460	32,220
Annual leave entitlements	29,083	28,673
	58,842	71,696

### (a) Financial Liabilities at Amortised Cost Classified as Trade and Other Payables

Trade and other payables:		
Total current	58,842	71,696
Total non-current	-	-
	58,842	71,696
Less: annual leave entitlements	(29,083)	(28,673)
Financial liabilities as trade and other payables	29,759	43,023

# Notes to the Financial Statements continued

For the year ended 31 December 2010

## 7. PROVISIONS FOR LONG SERVICE LEAVE

	2010	2009
	\$	\$
Balance at beginning of the year	45,691	34,242
Additional provision raised during the year	14,079	11,449
Amounts used	(14,552)	-
Balance at end of the year	45,218	45,691

### (a) Current

Provision for long service leave	28,688	23,139
	<b>28,688</b>	<b>23,139</b>

### (b) Non-Current

Provision for long service leave	16,530	22,552
	<b>16,530</b>	<b>22,552</b>

## 8. LEASING COMMITMENTS

Operating lease commitments

Being for rent of Sydney office

Payable:

Not later than 1 year	6,208	18,385
Later than 1 year but not later than 5 years	-	6,208
Later than 5 years	-	-
	<b>6,208</b>	<b>24,593</b>

Melbourne office rent payable is supported by the in-kind donation of the ANZ Bank.

## 9. KEY MANAGEMENT PERSONNEL

	Salary and Fees \$	Superannuation Contribution \$	Bonus \$	Non-Cash Benefits \$	Superannuation \$	LSL \$	Total \$
2010 Total compensation	103,765	41,633	-	16,388	14,560	-	176,346
2009 Total compensation	120,130	17,995	-	22,425	14,450	-	175,000

## 10. RELATED PARTY TRANSACTIONS

	2010	2009
	\$	\$
During the year ended 31 December 2010, Philanthropy Australia Inc. continued with the contract with Te Anau Consulting Pty Ltd, for whom David Ward acts as consultant, to provide services in delivering of trustees seminar	11,775	10,554

During the 2010 year, Philanthropy Australia received generous financial, in-kind and pro bono support from several of its Members, including JBWere. During the year, Christopher Thorn was an employee of JBWere.

## 11. CASH FLOW INFORMATION

### (a) Reconciliation of Cash

For the purpose of the statement of cash flows, cash includes cash on hand and in banks and investments in money market deposits. Cash at the end of the year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	2010	2009
	\$	\$
Cash on hand	457	236
Cash at bank	40,069	31,141
Term deposit	369,187	350,448
	<b>409,713</b>	<b>381,825</b>

### (b) Reconciliation of Net Cash Provided by Operating Activities to the Surplus of the Year

Surplus for the year	11,747	6,517
Depreciation	5,303	10,635
Increase in trade and other receivables	(12,526)	(27,856)
Decrease in inventory	5,729	8,032
Decrease in prepayments	94	11,048
Decrease in trade and other payables	(12,854)	(18,294)
Increase in subscriptions received in advance	38,105	21,340
Decrease in unearned grant income	(2,550)	(1,875)
(Decrease)/increase in provision for employee entitlements	(473)	11,450
	<b>32,577</b>	<b>20,997</b>

### (c) The Association has No Credit Stand-by or Financing Facilities in Place.

# Notes to the Financial Statements continued

For the year ended 31 December 2010

## 12. FINANCIAL RISK MANAGEMENT

The Association's financial instruments consist mainly of deposits with banks, short term investments, accounts receivable and payable.

The Association did not have any derivative instruments at 31 December 2010 and 31 December 2009.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statement are as follows:

	Note	2010	2009
		\$	\$
<b>Financial Assets</b>			
Cash and cash equivalents	3	409,713	381,825
Trade and other receivables	4	121,382	108,856
		<b>531,095</b>	490,681
<b>Financial Liabilities</b>			
Financial liabilities at amortised cost			
Trade and other payables	6	29,759	43,023
		<b>29,759</b>	43,023

### Financial Risk Management Policies

The Audit Finance and Risk Committee, consisting of Council Members, meet on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

The Committee's overall risk management strategy seeks to assist the Association in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

The Committee operates under policies approved by the Council. Risk management policies are approved and reviewed by the Committee on a regular basis. These include the use of credit risk policies and future cash flow requirements.

### Specific Financial Risk Exposures and Management

The main risks the Association is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

#### (a) Interest Rate Risk

Interest rate risk refers to the risk that the fair value of financial instruments or future cash flows will fluctuate due to changes in market interest rates.

The Association's interest-bearing financial assets expose it to risks associated with the effect of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows.

#### (b) Liquidity Risk

Liquidity risk is the risk that the Association will not be able to meet its financial obligations as they fall due. The Association's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due and by maintaining sufficient cash and cash equivalents to meet normal operating requirements.



*Financial Liability and Financial Assets Maturity Analysis*

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2010	2009	2010	2009	2010	2009	2010	2009
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Financial Liabilities</b>								
<b>Due for Payment</b>								
Trade and other payables	29,759	43,023	-	-	-	-	29,759	43,023
Total contractual outflows	29,759	43,023	-	-	-	-	29,759	43,023
Total expected outflows	29,759	43,023	-	-	-	-	29,759	43,023
<b>Financial Assets –</b>								
<b>Cash Flows Realisable</b>								
Cash and cash equivalents	409,713	381,825	-	-	-	-	409,713	381,825
Trade and other receivables	121,382	108,856	-	-	-	-	121,382	108,856
Total anticipated inflows	531,095	490,681	-	-	-	-	531,095	490,681
Net inflow on financial instruments	501,336	447,658	-	-	-	-	501,336	447,658

**Credit Risk**

The maximum exposure to credit risk, excluding the value of any collateral or other security, at reporting date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

There are no financial assets that have been pledged as security for any financial liability.

Credit risk is managed and reviewed regularly by the Audit, Finance and Risk Committee. It arises from exposures to customers and deposits with financial institutions.

The Committee monitors credit risk by actively assessing the rating quality and liquidity of counterparties: only banks and financial institutions with an 'A' rating are utilised.

At year end the Association does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Association.

**Foreign Currency Risk**

The Association is not exposed to fluctuations in foreign currencies.

**Price Risk**

The Association's is not exposed to any material commodity price risk.

**(c) Net Fair Values**

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial statements.

Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Areas of judgement and the assumptions used have been detailed below.

# Notes to the Financial Statements continued

For the year ended 31 December 2010

Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded.

The fair values disclosed in the statement of financial position and in the notes to the financial statements have been determined based on the following:

(i) Cash and cash equivalents, trade and other receivables and trade and other payables are short term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables excludes amounts provided for relating to annual leave which is not considered a financial instrument.

## **Sensitivity Analysis**

The Association has not performed a sensitivity analysis relating to its exposure to interest rate risk at reporting date. As at 31 December 2010, the result of changes in the interest rate is not expected to have a material effect on the current year results and equity.

No sensitivity analysis has been performed on foreign currency risk as the Association is not exposed to foreign currency fluctuations.

No sensitivity analysis has been performed on commodity price risk as the Association is not exposed to foreign currency fluctuations.

## **13. CAPITAL MANAGEMENT**

Philanthropy Australia Inc. does not have any borrowings. The Council Members control the capital of the Philanthropy Australia in order to maintain a positive capital position and maintain Members Funds. Member Funds are kept in reserve to underwrite any shortfall. The Council has set a target for Member's Funds equivalent to three to six months of expenses (\$250,000 – \$500,000).

## **14. ASSOCIATION DETAILS**

The registered office of the Association is at:

Level 2, 55 Collins Street, Melbourne Victoria 3000

The principal place of business is at:

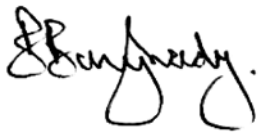
Level 2, 55 Collins Street, Melbourne Victoria 3000

# Statement by Members of the Council

In the opinion of the Council the financial report as set out on pages 15 to 32:

1. Gives a true and fair view of the financial position of Philanthropy Australia Inc. as at 31 December 2010 and its performance and cash flows for the year ended on that date in accordance with Australian Accounting Standards, mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board.
2. At the date of this statement, there are reasonable grounds to believe that Philanthropy Australia Inc. will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Council and is signed for and behalf of the Council by:



Bruce Bonyhady  
President



David Ward  
Treasurer

Dated: 24 February 2011  
Location: Melbourne

# Independent Audit Report



**Bentleys Melbourne Partnership**  
ABN 47 075 804 075  
Audit & Assurance Services

Level 7, 114 William Street  
Melbourne Vic 3000

GPO Box 2266  
Melbourne Vic 3001

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F +61 3 9274 0736

audit@melb.bentleys.com.au  
www.melb.bentleys.com.au

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PHILANTHROPY AUSTRALIA INCORPORATED**

We have audited the accompanying financial report of Philanthropy Australia Incorporated, which comprises the statement of financial position as 31 December 2010, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the statement by the Committee.

### **Committee's Responsibility for the Financial Report**

The Committee is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Associations Incorporation Act (Vic) 1981 and for such internal control as the Committee and management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Independence**

In conducting our audit, we have complied with the independence requirements of the Australian professional ethical pronouncements.



#### **Chartered Accountants and Business Advisors**

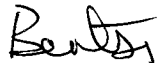
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**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF PHILANTHROPY AUSTRALIA INCORPORATED (Continued)**

**Opinion**

In our opinion the financial report gives a true and fair view of the financial position of Philanthropy Australia Incorporated as at 31 December 2010, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards and Associations Incorporation Act (Vic) 1981.



**BENTLEYS MELBOURNE PARTNERSHIP  
CHARTERED ACCOUNTANTS**



**MARTIN FENSOME  
PARTNER**

Dated in Melbourne on this 25 day of February 2011

# Financial Plan and Operating Results

For the financial year ended 31 December 2010 Philanthropy Australia Inc. recorded a surplus of \$11,747 (compared with a surplus of \$6,516 in 2009). Philanthropy Australia's objective is to run a small surplus each year.

## **Income**

Total income for the year 2010 was \$1,336,784, which comprised \$302,500 from Philanthropy Australia Conference and income from general operations of \$1,034,284, up from the total income for 2009 of \$989,288.

Income from membership fees increased by 4 per cent to \$622,488 from \$600,045, as a result of a 7 per cent increase in the number of Members and Associates from 389 to 417, and now represents 47 per cent of revenue. This figure does not include Leading Memberships.

## **Expenses**

Total expenses for the year 2010 were \$1,325,037, which comprised \$244,592 for the Philanthropy Australia Conference and \$1,080,445 of general operating expenses, up 10 per cent from \$982,771 in 2009 with half of this increase relating to external consultants costs which were part of a project funded by the Federal Government.

## **Balance Sheet**

The General Fund Account representing accumulated Members funds as at 31 December 2010 increased to \$170,083 from \$158,336 the previous year. Liquidity remains comfortable with \$409,256 in bank deposits.

Council has set a target for Members funds equivalent to three to six months of expenses (\$250,000 – \$500,000).

# Members of Philanthropy Australia

As at 31 December 2010

## Council Members

### President

Mr Bruce Bonyhady AM

### Vice President, Victoria

Ms Dur-e Dara OAM

### Vice President, New South Wales

Ms Sam Meers

### Treasurer

Mr David Ward

### Council Members

Mr Paul Clitheroe AM

Mr Tim Fairfax AM

Dr Jackie Huggins

Mr Terry Macdonald

Dr Noel Purcell

Mr Christopher Thorn

### CEO

Dr Deborah Seifert

## Leading Members



Goldman Sachs & Partners Foundation



THE MYER  
FOUNDATION

*The*  
WILLIAM BUCKLAND  
FOUNDATION  
—WBF—

## Life Members

Charles Goode AC  
Dame Elisabeth Murdoch AC DBE  
Jill Reichstein OAM  
The Stegley Foundation  
Meriel Wilmot

## Patrons

Sir Gustav Nossal AC CBE  
Lady Southey AC

## Full Members

The A.L. Lane Foundation  
Alcock Brown-Neaves Foundation  
The Adam Scott Foundation  
The Alfred Felton Bequest  
Alfred Thomas Belford Charitable Trust  
AMP Foundation  
Anita and Luca Belgiorno-Nettis Foundation  
A Angelatos  
The Andrews Foundation  
Andyinc Foundation  
Annamila Pty Ltd  
ANZ Trustees Philanthropy Partners  
Armstrong Trust  
Australia Business Arts Foundation  
The Australia Council for the Arts – Artsupport Australia  
The Australian Elizabethan Theatre Trust  
Australian Respiratory Council  
BB Hutchings Bequest  
The Ballarat Foundation  
The Balnaves Foundation  
The Becher Foundation  
Bennelong Foundation  
Besen Family Foundation  
Bill & Jean Henson Trust  
Bjarne K Dahl Trust  
The Body Shop  
Bokhara Foundation  
Bruce & Rae Bonyhady  
Border Trust  
Buderim Foundation  
Bupa Health Foundation  
CAF Australia  
The CASS Foundation  
The Caledonia Foundation  
Calvert-Jones Foundation

# Members of Philanthropy Australia continued

As at 31 December 2010

Capital Region Community Foundation – GreaterGood  
Cardinia Foundation  
The Charles Bateman Charitable Trust  
Charles Sturt University  
The Charlie Perkins Trust for Children & Students  
The Christensen Fund  
Clayton Utz  
Clitheroe Foundation  
Collier Charitable Fund  
Colonial Foundation  
Commonwealth Bank Foundation  
Community Enterprise Foundation  
Community Foundation for Bendigo & Central Victoria  
Community Foundation for Tumut Region  
The Cubit Family Foundation  
DaCosta Samaritan Fund Trust  
W Daniels  
The Danks Trust  
Davis Langdon  
Deakin Foundation Limited  
E Dean  
The Deloitte Foundation  
Denning Pryce  
DF Mortimer & Associates  
Diana Elizabeth Browne Trust  
Donkey Wheel Ltd  
Equity Trustees  
The Ern Hartley Foundation  
Ethel Herman Charitable Trust  
Fay Fuller Foundation  
The Feilman Foundation  
The Flora & Frank Leith Charitable Trust  
The Fogarty Foundation  
Foster's Group  
Foundation Barossa  
Foundation Boroondara  
Foundation for National Parks & Wildlife  
Foundation for Rural & Regional Renewal  
The Foundation for Young Australians  
Fouress Foundation  
M and M Freake  
Freehills  
The Freemasons Public Charitable Foundation  
The GM & EJ Jones Foundation  
Gandel Charitable Trust  
Geelong Community Foundation  
Geoffrey Gardiner Dairy Foundation  
George Alexander Foundation  
George Hicks Foundation  
Gilbert & Tobin Lawyers  
Goldman Sachs & Partners Foundation  
Gonski Foundation  
Goodman Private Wealth Advisers  
Gordon K & June S Harris Charitable Gift  
The Greatorex Foundation  
Greenlight Foundation  
Grenet Foundation  
The Grosvenor Foundation  
The Gualtiero Vaccari Foundation  
H V McKay Charitable Trust  
G Handbury  
M and C Handbury  
Harold Mitchell Foundation  
Helen Macpherson Smith Trust  
The Horizon Foundation  
The Hugh Williamson Foundation  
G Hund  
The Hunt Foundation  
Hunter Hall International  
The Ian Potter Foundation  
Incolink Foundation Ltd  
ING Foundation  
Inner North Community Foundation  
Intensive Care Foundation  
The Invergowrie Foundation  
IOOF Foundation  
The Jack Brockhoff Foundation  
Jack & Ethel Goldin Foundation  
James & Diana Ramsay Foundation  
Jaramas Foundation  
Jobs Australia Foundation  
John T Reid Charitable Trusts  
John William Fleming Trust  
June Canavan Foundation  
Kennards Foundation  
The Killen Family Foundation  
Kingston Sedgfield (Australia) Charitable Trust  
L.E.W. Carty Charitable Fund  
Law & Justice Foundation of NSW  
Lawrence George & Jean Elsie Brown Charitable Trust Fund  
Ledger Charitable Trust  
Legal Services Board  
Limb Family Foundation  
Lord Mayor's Charitable Foundation  
Lorenzo & Pamela Galli Charitable Trust  
Lotterywest  
The Mackay Foundation  
Macquarie Group Foundation  
Eve Mahlab  
Mallesons Stephen Jaques  
Maple-Brown Family Charitable Trust  
Margaret Augusta Farrell Trust  
Margaret Lawrence Bequest  
The Mary Potter Trust Foundation  
Matana Foundation for Young People  
McCullough Robertson Foundation  
The McLean Foundation  
Medical Research Foundation for Women & Babies  
Medicines for Malaria Ventures mecu  
The Melbourne Anglican Foundation  
Melbourne Art Foundation  
Melbourne Community Foundation  
The Miller Foundation  
Mirboo North & District Community Foundation  
The Mullum Trust  
Mumbulla Foundation  
The Mundango Charitable Trust  
Myer Stores Community Fund  
The Myer Foundation  
National Australia Bank  
National Foundation for Australian Women  
Nelson Meers Foundation  
Newcastle Permanent Charitable Foundation  
Newsboys Foundation  
nib Foundation  
The Norman Wettenhall Foundation  
Northern Rivers Community Foundation  
Origin Foundation  
The Palya Fund  
Paul Edward Dehnert Trust  
The Paul Griffin Charitable Trust  
The Percy Baxter Charitable Trust  
Perpetual  
Pethard Tarax Charitable Trust  
Pfizer Australia  
Pierce Armstrong Foundation  
Portland House Foundation  
PricewaterhouseCoopers Foundation  
N Purcell  
QBE Insurance



The Qantas Foundation  
 Queensland Community Foundation  
 RACV Community Foundation  
 The R E Ross Trust  
 RMIT Foundation  
 Rainbow Fish Foundation  
 A Rankin  
 Ray & Joyce Uebergang Foundation  
 Reichstein Foundation  
 G and G Reid  
 Rio Tinto Aboriginal Fund  
 Rita Hogan Foundation  
 Robert Christie Foundation  
 The Robert Salzer Foundation  
 Rosey Kids Foundation  
 Ronald Geoffrey Arnott Foundation  
 Ronald McDonald House Charities  
 Rothwell Wildlife Preservation Trust  
 The Royal Agricultural Society  
 of NSW Foundation  
 Ruffin Falkiner Foundation  
 Sabemo Trust  
 Scanlon Foundation  
 Sherman Foundation  
 Sir Andrew and Lady Fairley  
 Foundation  
 Sisters of Charity Foundation  
 Slingsby Foundation  
 The Snow Foundation  
 Social Justice Fund  
 a sub fund of the Melbourne  
 Community Foundation  
 Social Ventures Australia  
 The Southern Highland Community  
 Foundation  
 Sparke Helmore Lawyers  
 C Spence  
 F Spitzer  
 Spotlight Foundation  
 The Stan Perron Charitable Trust  
 Stand Like Stone Foundation  
 State Trustees Australia Foundation  
 Sunshine Foundation  
 Sydney Adventist Hospital Foundation  
 Sydney Community Foundation  
 Tasmanian Community Fund  
 Tasmanian Early Years Foundation  
 Telematics Trust  
 Telstra Foundation  
 Tessana Pty Ltd  
 The Thomas Foundation  
 Christopher Thorn  
 Three Flips Foundation

Tibetan & Hindu Dharma Trust  
 Tim Fairfax Family Foundation  
 Tomorrow: Today Foundation  
 The Tony and Lisette Lewis  
 Foundation  
 The Towards a Just Society Fund  
 a sub fund of the Melbourne  
 Community Foundation  
 Toyota Australia  
 The Transfield Foundation  
 Trawalla Foundation  
 Trust Foundation  
 Trust for Nature Foundation  
 UBS Wealth Management  
 Une Parkinson Foundation  
 Victoria Law Foundation  
 Victorian Employers Chamber  
 of Commerce and Industry  
 Victorian Medical Benevolent  
 Association  
 Victorian Women's Trust  
 Vincent Fairfax Family Foundation  
 Voiceless, The Fund For Animals  
 W & A Johnson Family Foundation  
 David Ward  
 Western Australian Community  
 Foundation  
 Westpac Foundation  
 The William Buckland Foundation  
 The Wyatt Benevolent Institution  
 Wyndham Community Foundation  
 Yajilarra Trust

#### **Associate Members**

Achieve Australia Ltd  
 Action for Community Living  
 Action on Disability within Ethnic  
 Communities  
 The Alfred Foundation  
 The Anaesthesia and Pain Medicine  
 Foundation  
 Asia-Pacific Centre for Social  
 Investment and Philanthropy  
 Austin Health  
 Australian Cancer Research  
 Foundation  
 The Australian Charities Fund  
 Australian Conservation Foundation  
 Australian Diabetes Council  
 Australian Museum  
 Australian National University  
 Australian Rotary Health

Australian Rural Leadership  
 Foundation  
 Australian Scholarships Foundation  
 Australian Sports Foundation  
 Baker IDI Heart and Diabetes Institute  
 Barwon Health Foundation  
 Benetas  
 The Benevolent Society  
 Berry Street Victoria  
 Beulah Capital Pty Ltd  
 Bond University  
 The Brotherhood of St Laurence  
 Burnet Institute  
 Can Assist  
 The Cancer Council Victoria  
 CARE Australia  
 Caritas Australia  
 Carnbrea & Co Ltd  
 Caroline Chisholm Education  
 Foundation  
 The Catherine Freeman Foundation  
 Centenary Institute  
 Centennial Parklands Foundation  
 The Centre for Social Impact  
 Charles Darwin University  
 Children First Foundation  
 Children's Cancer Institute Australia  
 Children's Medical Research Institute  
 Christian Brothers Oceania Province  
 Clem Jones Group  
 The Climate Institute  
 Conservation Volunteers Australia  
 Corporate Heart  
 Country Education Foundation  
 Credit Suisse Management  
 (Australia) Pty Ltd  
 Daystar Foundation  
 Deutsche Bank Private Wealth  
 Management  
 Documentary Australia Foundation  
 DOXA Youth Foundation  
 Dymocks Children's Charities  
 Eastern Health  
 Effective Philanthropy  
 Epworth Medical Foundation  
 EW Tipping Foundation  
 ExxonMobil  
 The Fred Hollows Foundation  
 FirstUnity Wealth Management  
 Flying Fruit Fly Circus  
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As at 31 December 2010

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