

The logo for Philanthropy Australia, featuring a red diamond shape with a blue square in the center. The text "philanthropy australia" is written in white lowercase letters inside the blue square.

philanthropy  
australia

ANNUAL  
REPORT  
2018

Three large red gears are interlocked in the center of the page. The gear on the left contains the text "more & better", the gear on the top right contains "Towards", and the gear on the bottom right contains "philanthropy".

more & better

Towards

philanthropy

# Corporate Information

## Email

info@philanthropy.org.au

## Website

www.philanthropy.org.au

## ABN

79 578 875 531

## Incorporated Associated No.

A0014980T

## Melbourne

Level 2, 55 Collins Street  
Melbourne VIC 3000

## Sydney

Level 10, 55 Market Street  
Sydney NSW 2000

## Brisbane

Suite 7E, Level 7  
344 Queen Street  
Brisbane QLD 4000

## Adelaide

Level 5, 100 Pirie Street  
Adelaide SA 5000

## National

1300 511 500

## Patrons

Sir Gustav Nossal AC CBE  
Lady Southey AC

## Council

(As at 31 December 2018)

**President** Mr Alan Schwartz AM

**Vice President** Ms Ann Johnson

### Council Members

Ms Kirsty Allen

Mr Allan English

Mr Daniel Gilbert AM

(appointed April 2018)

Ms Amanda Miller

Mr John McLeod

Ms Ann Sherry AO

Mr Joe Skrzynski AO

Ms Jenny Stephens

Ms Caroline Stewart

Ms Genevieve Timmons

Mr Craig Winkler

## Key Governance Personnel

### Treasurer & Company Secretary

Ms Elizabeth O'Brien

With thanks to our departing

Council Member in 2018:

Mr Rob McLean AM (Appointed 2012)

## Staff

As at 31 December 2018

## Executive

**CEO** Sarah Davies

**Executive Support Officer**

Lucy Stratton

## Membership Services

### National Membership Services

**Manager** George Crones

### SA & WA State Manager

Sophie Doyle

### NSW & ACT State Manager

Judy Foster

### QLD & NT State Manager

Sue Fisher

### VIC & TAS State Manager

Patricia Burke

### Membership Admin

Anna Marinovich

### Events & Admin Officer

Caoimhe Gleeson

### Peer Networks Executive

Vicki Norton

## Philanthropic Services

### Philanthropic Services Manager

Chris Wootton

## Policy & Research

### Policy & Research Manager

Sarah Wickham

### Policy Advisor

Krystian Seibert

## Marketing & Communications

### Marketing & Communications Manager

Avril Redmond

### Chief Storyteller

Nicole Richards

### Digital Marketing Officer

James O'Callaghan

### Communications Executive

Peta Maskell

## Partnerships

### Partnerships & National

### Events Manager

Giselle Pinto

## Finance

### Finance & Operations Manager

Mal Lewis

### Finance & CRM Officer

Anantha Vedavatha

\* All staff and Council  
biographies can be found at

[www.philanthropy.org.au/  
about-us/staff/](http://www.philanthropy.org.au/about-us/staff/)

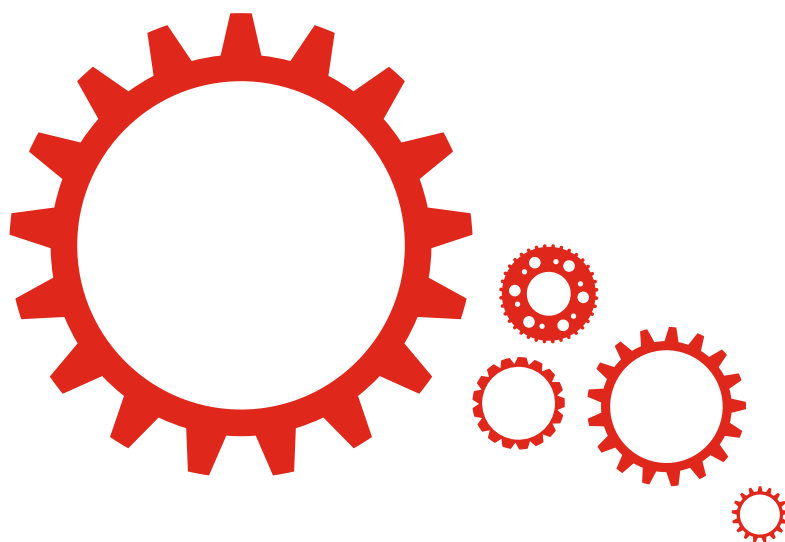
# Contents

- 03** President's Report
- 04** Chief Executive Officer's Report
- 06** 2017-2020 Strategic Plan
- 08** 2018 Action Plan Achievements
- 14** 2019 Action Plan
- 16** Partnership Acknowledgements 2018

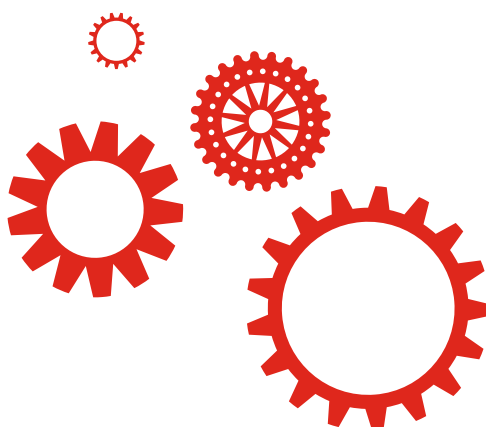
## **Financial Statements**

- 18** Council Members' Report
- 23** Auditor's Independence Declaration to the Council Members of Philanthropy Australia
- 24** Statement of Profit or Loss and Other Comprehensive Income
- 25** Statement of Financial Position
- 26** Statement of Cash Flows
- 27** Statement of Changes in Equity
- 28** Notes to the Financial Statements
- 36** Certificate by Members of Council/Responsible Entity Declaration
- 37** Independent Audit Report to the members of Philanthropy Australia





**Serving the community  
to achieve more and  
better philanthropy.**



---

# President's Report



As a member of Australia's vibrant philanthropic community, I'm always awed by what we can achieve together. Nowhere is that sense of community more pronounced than among the membership of Philanthropy Australia, where I've had the honour of chairing the Council for the past four years.

As I prepare to step down from the role in June 2019, it strikes me that Philanthropy Australia's journey over the past few years has been one of incredible, transformative change.

Change is never easy but it's always an opportunity for growth. It was only as recently as 2014 that Philanthropy Australia opened offices in Adelaide and Brisbane, responding to the nation-wide growth in the sector and private ancillary funds in particular.

Just four short years ago we, as a philanthropic community, were only beginning to explore social finance and investment and wrestle with its meaning and application. The language of New Gen philanthropy had only started to take root and giving circles were swiftly emerging as a new way to involve more people in giving. The sector's infrastructure was still under construction: the Australian Charities and Not-for-Profits Commission was fledgling, but we finally had a statutory definition of charity.

Fast forward to 2018 and what a long way we've come. Structured finance for blended return and impact investment is (dare I say) going mainstream; next-generation considerations are front and centre across all sectors and philanthropy is no different; collective giving is an established giving model and has tremendous potential for future growth. We are still challenged by how to normalise philanthropy and grow giving, but also thinking about how we maintain its social licence to operate and how we best use its precious social risk capital.

Philanthropy Australia has played a key role in the evolution of giving in this country and as a peak body, has grown alongside the sector it serves.

One thing at Philanthropy Australia's core is the policy and advocacy work we undertake for the sector. This has strengthened considerably over the last few years and the criticality of an informed collective voice and active engagement in policy debates was reinforced in 2018.

I am proud that four years ago we challenged ourselves, asked some hard questions and clarified our purpose and focus as a peak body. We made a deliberate decision to be ambitious, to serve the philanthropic community to achieve more and better philanthropy.

Now, two years into our four-year strategic plan, the outlook is good. We know there's more work to be done, but the shoots are green, the energy and appetite is high, our community is healthy, connected and ambitious.

Thank you to our members who work towards the remarkable achievement of making a positive and lasting impact in our communities. Thank you to our Philanthropy Champions, for backing us and putting your shoulders to the mill with us. Thank you to Sarah Davies and Philanthropy Australia staff, past and present, for your dedication, hard work, energy and passion. And finally, thank you to my fellow Council members – it's been a privilege working with you as a genuine team united in our desire to serve members to achieve more and better philanthropy.

A handwritten signature in black ink, reading "Alan Schwartz". The signature is fluid and cursive, with a large, stylized 'A' and 'S'.

**Alan Schwartz AM**  
President

---

# Chief Executive Officer's Report



Everything we do at Philanthropy Australia is designed to contribute to our purpose of serving the community to achieve more and better philanthropy. For me, the word 'together' has been a defining characteristic of 2018, a year in which we worked hard to deliver new platforms, events and opportunities for our members and the wider giving community to come together, learn from each other and refine their philanthropic practice.

It was a big year for events, with our biennial National Conference in September being the culmination of two years' worth of planning and hard work to bring together some of Australia's and the world's most innovative philanthropic practitioners, including our Australian Philanthropy Leaders (Audette Exel, Allan English and Ian Darling), Larry Kramer from the Hewlett Foundation, Fred Blackwell from The San Francisco Foundation and Danielle Walker-Palmour from Friends Provident Foundation, to challenge and inspire us. More than 740 members of Australia's philanthropic community joined us, sharing and showcasing the breadth of Australia's dynamic and impactful philanthropy.

The annual Australian Philanthropy Awards also continue to grow, with this year's event held at the iconic Sydney Opera House. Our seven award recipients showcased the best of visionary, high-impact and transformative philanthropy.

Throughout the year we delivered 80-plus member networks and events that stimulated, inspired and provoked reflection and thinking about philanthropic practice.

There were plenty of launches in 2018 too, including the launch of our new membership offering and the Better Giving Hub – a platform that is designed to build a larger community of practice that will allow us to connect, share and build a repository of knowledge and resources. Sitting inside the Better Giving Hub is Foundation Maps Australia, an interactive and searchable map which shows for the first time who's funding what and where.

Our advocacy and policy initiatives, designed to 'defend and extend' the philanthropic ecosystem, were another key pillar of our work in 2018. It's been a tough and contentious year for advocacy and policy, but we remain steadfast in our view that defending the operating space of this sector and the critical contribution of philanthropy and our non-profit sector more broadly is essential to a healthy democracy and achieving positive change.

---

As the peak body, we have represented, collaborated and challenged, both privately and publicly, to maintain philanthropy's abilities and scope to pursue and support change at a policy and system level and will continue to do so in the year ahead.







From a structural point of view, in late 2018 our members unanimously voted to update our governance structure and move from being an incorporated association in Victoria to a company limited by guarantee, which is a terrifically positive step for Philanthropy Australia's future.

It's been a big year and, as they say, it takes a village. My personal thanks to our Council and our President, Alan Schwartz, for continuing to support our ideas, advancements and achievements. Thank you to our partners who joined with us this year to deliver initiatives and events in service of more and better philanthropy. Thank you to my team at Philanthropy Australia who make it all happen and thank you to each and every one of our members - you're the reason we're here.



**Sarah Davies**  
Chief Executive Officer

# 2017–2020 Strategic Plan

More & Better	2020 Objectives
 <b>Leadership &amp; Advocacy</b>	<ul style="list-style-type: none"> <li>To provide an informed and prominent voice for the sector as an advocate and influencer to enable philanthropy to grow and drive effective change.</li> </ul>
 <b>Connecting &amp; Convening</b>	<ul style="list-style-type: none"> <li>To facilitate and support effective working groups, networks and partnerships within and between philanthropy, community, government and business.</li> </ul>
 <b>Data &amp; Insight</b>	<ul style="list-style-type: none"> <li>To facilitate openness and transparency, including the efficient collection, analysis and sharing of data and information and to initiate and promote strategic research in order to inform the work and direction of the philanthropic sector.</li> </ul>
 <b>Professional Learning &amp; Services</b>	<ul style="list-style-type: none"> <li>To build the capability of the sector through expert and professional learning by providing professional development programs, conferences, masterclasses and study tours.</li> </ul>
 <b>Better Giving Hub</b>	<ul style="list-style-type: none"> <li>Using technology, to build a community of interest across the sector, engage and share a range of resources, information and tools; and connect and network for shared interest and outcomes.</li> </ul>
 <b>Organisation Effectiveness</b>	<ul style="list-style-type: none"> <li>To achieve strong governance, an engaged and high performing team, a financially sound business model and effective work practices.</li> </ul>



---

## 2020 Outcomes

---

- Strong collaborative relationships with government
  - Effective policy environment for philanthropy and reform to grow giving
  - Clear economic case for government support of philanthropy
  - Philanthropic leaders recognised and celebrated
  - Increased awareness of philanthropy in wider community
- 
- Philanthropy, community and government collaborative projects in-train and models shared
  - Vibrant national and international networks and collaborations for funders and social investors
  - Active funder groups with shared resources and funding projects
- 
- Collaborative data collection and sharing with Australian Charities and Not-For-Profits Commission (ACNC) and universities
  - Increase sharing of grants data: regular Foundation Maps Australia reports
  - Regular benchmarking of philanthropic and operational practices
  - Impact projects clearing house
- 
- Program of professional learning seminars, workshops, masterclasses and conference
  - Annual national and international study tours
  - Accredited professional adviser program
  - Suite of shared best practice resources and handbooks
- 
- Vibrant community of interest that shares news, events and resources
  - Research portal, online networks and bulletin boards
  - Collaborative funding, Funder Central, grants database
  - Directory of Funders
- 
- Strong, healthy culture that attracts and retains a talented high-performing team
  - Financial viability with diversified income streams and profitable activities
  - Effective governance and full compliance against regulatory and statutory requirements
  - Efficient practices and processes that support growth and innovation
-

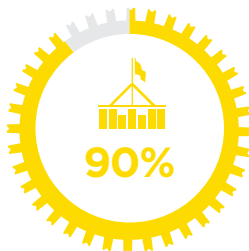
# 2018 Action Plan Achievements



## LEADERSHIP AND ADVOCACY

Provide an informed and prominent voice for the sector

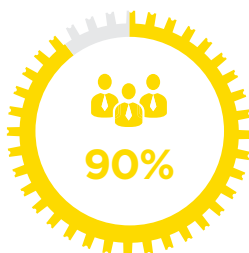
- Delivered several advocacy and policy initiatives defending philanthropy's scope and role and demonstrating the critical contribution of philanthropy and the non-profit sector more broadly.
- Continued the development of the Economic Case for Philanthropy research project which will be finalised in 2019.
- Continued national engagement with the Prime Minister's Community Business Partnership, the Department of Social Services and the Department of Foreign Affairs and Trade.
- Regular member policy consultation and briefings provided.
- Outstanding philanthropic practice recognised with seven Awards, in collaboration with key partners.
  - Nicola and Andrew Forrest Leading Philanthropists 2018.
- Strong support and engagement from Philanthropy Champions with policy development, sector advocacy and major projects. Launched the annual Philanthropy Champions Policy and Advocacy Report in 2018.



To scope, develop and articulate a range of government and policy initiatives and responses which inform and shape the right policies, regulations and incentives to grow philanthropy and its impact.



Complete, launch and socialise 'The Economic Case for Philanthropy' project and report.



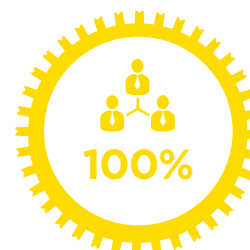
To build a closer relationship and understanding between government, policy makers, elected representatives and philanthropy.



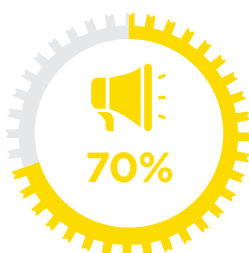
Engage with Members to seek their views on policy issues; and brief them on policy developments and other trends, Philanthropy Australia's advocacy activities and 'Data and Insight' initiatives.



To run an annual Philanthropy Awards Program to acknowledge and celebrate exceptional leadership and practice, inspire others and generate awareness and understanding of the role and contribution of philanthropy.



To implement an engagement program for Philanthropy Champions to build a coalition of influencers that will advance philanthropy.



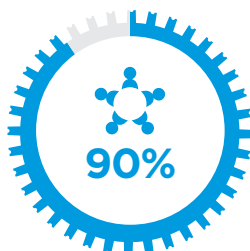
To build awareness of the role and contribution of philanthropy in society through events, media, public comment and stories.



## CONNECTING AND CONVENING

Facilitate and support effective working groups, networks and partnerships within philanthropy, community, government and business

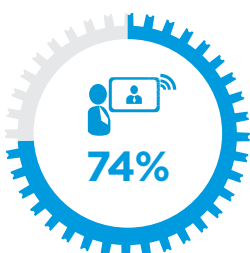
- 12 active peer networks engaged nationally.
- New membership offer launched 1st May.
- Extensive communications and direct engagement campaign.
- Members transitioned to preferred membership level/package.
- Member survey completed October 2018.
- 49 issues of Philanthropy Weekly, redesigned and expanded for content.
- Co-partnered with UK's Alliance magazine.
- Member policy updates in each State.
- Program review completed and strategy prepared for 2019 and beyond.



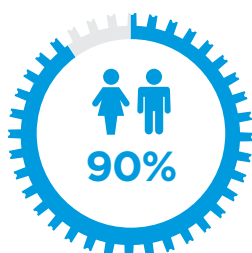
To engage members by designing and conducting a national event and engagement program to deepen knowledge, share experience and learning and enable collaboration.



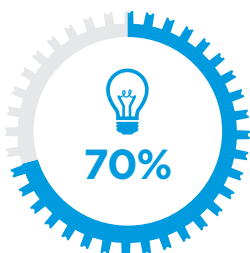
To implement the new membership model from 1 May 2018.



To develop and implement a membership engagement plan to retain existing members and grow new membership, ensuring maximum satisfaction.



To keep all Members and Associates informed and up to date with current activities, events, developments and trends.



To review New Gen program and refine proposition to build next generation engagement and giving.

## MEMBER EVENTS

- Three national thought leadership series
- More than 80 member network events.

## MEMBER SURVEY

- 74% of members highly satisfied/satisfied
- 80% attended one or more event in 2018
- Most valued benefits
  - Thought leadership series
  - National Conference
  - Philanthropy Weekly

# 2018 Action Plan Achievements



## DATA AND INSIGHT

Facilitate openness and transparency to inform the work and direction of the philanthropic sector

- 35 inaugural participating foundations.
- Data representing more than 8,000 grants, contributing \$550 million for social and environmental good.



Launch 'Foundation Maps: Australia'.



## PROFESSIONAL LEARNING AND SERVICES

Build the capacity of the sector through knowledge and professional development

- Purpose: Is it Enough? National Conference:
  - Over 740 delegates participated
  - 122 speakers presented 30 sessions
  - 94% of delegates rated overall experience as excellent/good.
- Over 600 members/ non-members attended 14 masterclasses and 17 professional learning courses across Australia.
- Three thought leadership series successfully delivered with positive member feedback and engagement.
- Consulting services have now been delivered to 20 different clients including Optus; ANZ Private; The Bryan Foundation and the Commonwealth Department of Education and Training.



To design and deliver a successful philanthropy conference which promotes and shares leading thinking, innovation and best practice in philanthropy; explores the mechanisms and case studies leading to effective philanthropy; and provides an opportunity for networking, peer learning and discussion of issues and current themes.



To plan and run a targeted and integrated national program of thought-leadership activities for members.



To plan, design and create the 2018 Study Tour to Israel in partnership with Jewish Funders Australia.



To plan and run a targeted and integrated professional learning program and masterclasses to develop and advance professional practice across the full philanthropic spectrum.



To provide philanthropic consultancy services on a fee for service basis to improve philanthropic practice and support new and emerging philanthropists.

# 2018 Action Plan Achievements



## BETTER GIVING HUB

Build an interactive online community of interest and resource hub across the sector

- 73% of individual users accessed the Better Giving Hub in first 8 months, on average 3.6 times per user.



To develop, test and launch phase 1 functionality for the Better Giving Hub.



Review effectiveness and usage of phase 1 and scope phase 2 functionality development.



## ORGANISATION EFFECTIVENESS

Achieve strong governance, an engaged and high performing team, a financially sound business model and effective work practices

- Budget and forecast achieved.
- Strong partnerships with, and support from, Philanthropy Champions and members for key strategic projects.
- With strong member support, adopted new Constitution, changed governance structure to company limited by guarantee and opened up company membership in line with strategy.



To deliver the plan within the agreed budget and resources.



To seek a range of funded sponsorships and partnerships aligned with the relevant activities to achieve financial sustainability.



To ensure a strong, healthy culture and to attract, motivate and retain a talented high performing team.



To implement the IT plan to ensure infrastructure and systems are meeting and supporting business needs.



To ensure effective governance and full compliance against regulatory and statutory requirements.



To propose to members that PA moves to a company limited by guarantee structure.

---

# 2019 Action Plan

## LEADERSHIP & ADVOCACY

Provide an informed and prominent voice for the sector

### OBJECTIVES

---

Develop and articulate a range of government and policy initiatives and responses which inform and shape the right regulatory framework to grow philanthropy and its impact.

---

Lead the development of a blueprint, strategy and action plan to scale participation in and impact of philanthropy.

---

Be a leading voice for Members on the next phase of Philanthropy Australia's policy and advocacy aspirations and agenda.

---

Provide support and learning through leadership programs that enable members' practice of effective advocacy.

---

Engage with Members to seek their views on policy issues; brief them on policy developments, trends and Philanthropy Australia's advocacy activities.

---

Engage actively with Philanthropy Champions to build a coalition of influencers that will advance philanthropy.

---

Build awareness of the role and contribution of philanthropy in society through events, media, public comment and stories.

---

## CONNECTING & CONVENING

Facilitate and support effective working groups, networks and partnerships within philanthropy, community, government and business

### OBJECTIVES

---

Engage Members by delivering a national event and engagement program to deepen knowledge, share experience and foster collaboration.

---

Extend the funder network model to support highly active and engaged Members who want to collaborate through strategy, grant-making and advocacy.

---

Provide two national programs of thought-leadership activities for Members.

---

Keep Members informed and up to date with current activities, events, developments and trends.

---

Deliver a New Gen program to build the next generation of givers.

---

## DATA & INSIGHT

Facilitate openness and transparency to inform the work and direction of the philanthropic sector

### OBJECTIVES

---

Build on a successful launch of 'Foundation Maps: Australia' to grow its data and increase its use and insights.

---

Launch the results of the Economic Case for Philanthropy Research Project and engage Members in the next steps.

---





---

## PROFESSIONAL LEARNING & SERVICES

Build the capacity of the sector through knowledge and professional development

### OBJECTIVES

---

Deliver a successful Philanthropy meets Parliament Summit which:

- enhances mutual understanding of how philanthropy and government could work better together
  - promotes and shares leading thinking, innovation and best practice in philanthropy
  - explores the mechanisms and case studies leading to effective philanthropy
  - provides an opportunity for networking, peer learning and discussion of issues and current themes.
- 

Deepen member development through the Private Giving Study Tour 2019 to Canada.

---

Provide a targeted and integrated series of Philanthropic Learning Programs (PLP) to develop and advance professional practice across the full philanthropic spectrum.

---

Provide philanthropic consultancy services on a fee for service basis to improve philanthropic practice and support new and emerging philanthropists.

---

## BETTER GIVING HUB

Build an interactive online community of interest and resource hub across the sector

### OBJECTIVES

---

Integrate our website and the BGH in a connected and coherent package of content and functionality.

---

Build member usage and familiarity with the BGH through content delivery, member training and opportunities for collaboration.

---

## ORGANISATION EFFECTIVENESS

Achieve strong governance, an engaged and high performing team, a financially sound business model and effective work practices

### OBJECTIVES

---

Deliver the Action Plan and 4 year strategy within the agreed budget and resources.

---

Ensure a strong, healthy culture that attracts, motivates and retains a talented high performing team.

---

Cultivate sponsorships and partnerships aligned with our 2019 activities to facilitate research, data, policy and advocacy.

---

Evaluate the existing 4 year IT plan to ensure infrastructure and systems are meeting and supporting business needs.

---

Develop an effective evaluation culture and process for continual learning.

---

Ensure effective governance and full compliance against regulatory and statutory requirements.

---

---

# Partnership Acknowledgements 2018

We would like to acknowledge the generous and valuable support provided by the following individuals and organisations and thank them most sincerely for their contributions.

## OFFICES

### Adelaide

The James and Diana Ramsay Foundation

The Wyatt Trust

### Brisbane

Tim Fairfax Family Foundation

### Melbourne

ANZ

### Sydney

Westpac

## PHILANTHROPY CHAMPIONS

ANZ

Collier Charitable Fund

English Family Foundation

Fay Fuller Foundation

Gandel Philanthropy

Helen Macpherson Smith Trust

Hunt Family Foundation

McLeod Family Foundation

Nelson Meers Foundation

Paul Ramsay Foundation

Perpetual

The Caledonia Foundation

The Ian Potter Foundation

The McLean Foundation

The R E Ross Trust

The Sky Foundation

The Snow Foundation

The William Buckland Foundation

The Wyatt Trust

Tim Fairfax AC

Trawalla Foundation

Vincent Fairfax Family Foundation

W & A Johnson Family Foundation

Wheelton Philanthropy

## AUSTRALIAN PHILANTHROPY AWARDS 2018

### Environmental Philanthropy Award Partner

Australian Environmental  
Grantmakers Network

### Gender-wise Philanthropy Award Partners

Australian Women Donors  
Network

netwealth

### Indigenous Philanthropy Award Partner

Ninti One

### International Philanthropy Award Partner

Department of Foreign Affairs  
and Trade (DFAT)

### Event Partner

Sydney Opera House

## BETTER GIVING HUB

Gandel Philanthropy

Paul Ramsay Foundation

Perpetual

## END OF YEAR EVENTS

### Adelaide

Knightsbridge Wealth  
Management

### Brisbane

Queensland University of  
Technology (QUT)

### Melbourne

Perpetual

### Sydney

Perpetual

---

#### **FOUNDATION MAPS AUSTRALIA**

Fouress Foundation  
Gandel Philanthropy  
The Ian Potter Foundation

#### **GENERAL DONATIONS**

Day Family Foundation  
Nunn Dimos Foundation  
W & A Johnson Family Foundation

#### **OPEN LETTER REGARDING ELECTORAL CHANGES**

The Myer Foundation  
Trawalla Foundation  
The Sky Foundation

#### **PHILANTHROPY AUSTRALIA NATIONAL CONFERENCE 2018**

##### **Capacity Building Partner**

Perpetual

##### **Principal Partner**

Paul Ramsay Foundation

##### **Plenary Partner**

Lord Mayor's Charitable  
Foundation

##### **Supporting Partner**

Blackbaud

##### **Marketing Partner**

Disegno

##### **Media Partner**

Soda Communications

#### **STORYTELLING INITIATIVE**

Day Family Foundation  
Ruffin Falkiner Foundation  
The Balnaves Foundation  
Tim Fairfax AC  
Wheelton Philanthropy

#### **THE CASE FOR PHILANTHROPY**

Paul Ramsay Foundation  
The Ian Potter Foundation

#### **THOUGHT LEADERSHIP PROGRAM (Stephen Huddart)**

Perpetual  
TACSI

#### **2018 ANNUAL GENERAL MEETING**

##### **Venue Host**

NAB

##### **Secretary**

Nick Crowhurst, Collaboratus  
Group

#### **COUNCIL MEETING HOST**

UBS

#### **OPERATIONS PARTNERS**

Herbert Smith Freehills  
IT Strategic  
Vertic

#### **VENUE HOSTS**

Australian Institute of Company  
Directors (AICD)  
Art Gallery of NSW  
ATI-Mirage  
Atlassian Foundation  
Australian Communities  
Foundation  
Australia Post  
Carclew  
Catherine Prosser  
Centre for Excellence in Child  
and Family Welfare  
Clayton Utz  
Cooper Investors  
Deloitte  
Equity Trustees  
Goodman Foundation  
Herbert Smith Freehills

International Visualisation Centre

JBWere

Koda Capital

KPMG

Lotterywest

Macquarie Group Foundation

Minderoo Foundation

Melbourne Business School

Morgans

Mutual Trust

NAB Foundation

Origin Foundation

Paul Ramsay Foundation

Perpetual

PwC Foundation

Queensland University Technology  
(QUT)

The Australian Centre for Social  
Innovation (TACSI)

The Australian National University

The James and Diana Ramsay  
Foundation

Tim Fairfax Family Foundation

UBS

Sydney Opera House

Victoria University

Westpac Foundation

The Wyatt Trust

# Council Members' Report

For the Year Ended 31 December 2018

The council members submit the financial report of Philanthropy Australia for the financial year ended 31 December 2018.

## COUNCIL MEMBERS

The names of council members throughout the year (and at the date of this report) are below.

During the financial year, six council meetings were held. Attendances by each council member during the year were as follows:

		Council Meetings	
		Number eligible to attend	Number attended
Appointed/Resigned			
Alan Schwartz AM		6	4
Allan English		6	4
Amanda Miller		6	6
Andrew Craig Winkler		6	4
Ann Johnson		6	6
Ann Sherry AO		6	5
Caroline Stewart		6	6
Danny Gilbert	Appointed 19 April 2018	5	3
Genevieve Timmons		6	6
Jennifer Stephens		6	5
John McLeod		6	5
Joseph Skrzynski AO		6	4
Kirsty Allen		6	5
Robert McLean AM	Resigned 19 April 2018	1	1
Lisa George	17 December 2018*	–	–

\* Appointed By resolution of the PA Council to a vacant position on the Board, after the final meetings of 2018

Philanthropy Australia also has Council appointed committees that meet periodically throughout the year. The regular committees and members as at 31 December 2018 were as follows:

### Audit, Risk and Compliance Committee

Elizabeth O'Brien (Chair), Caroline Stewart, Kirsty Allen, Jay Bonnington and John McLeod.

### Governance and Nominations Committee

Alan Schwartz AM (Chair), Ann Johnson and Genevieve Timmons.

### Policy and Research Committee

Joseph Skrzynski AO (Chair), Allan English, Robert McLean AM, Amanda Miller, Jennifer Stephens, John Spierings, Stacey Thomas, Jo Barraket, and Peter Winneke.

## INFORMATION ON COUNCIL MEMBERS

Background information on our Council members can be located on our website:

<http://www.philanthropy.org.au/about-us/council/>

## PRINCIPAL ACTIVITIES AND SIGNIFICANT CHANGES IN NATURE OF ACTIVITIES

### Vision and Purpose

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.

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

Philanthropy Australia's vision is to achieve a more giving Australia and to this end, our purpose is to serve the philanthropic community to achieve more and better philanthropy.

As the peak body we serve a community of funders, grant-makers, social investors and change agents working to achieve positive social, cultural, environmental and community change by leveraging their financial assets and influence. Philanthropy Australia gives our members a collective voice and ability to influence and shape the future of the sector and advance philanthropy. The philanthropic community comes together through Philanthropy Australia to build its collective voice, capacity, impact and influence.

### Philanthropy Australia's principal activities comprise:

- representing and advocating for the philanthropic sector as the national peak body for philanthropy
- supporting and enabling an innovative, growing, influential and high performing philanthropic sector in Australia
- promoting the contribution of philanthropy by growing the understanding of the community, business and government.
- inspiring and supporting new philanthropists
- increasing the effectiveness of philanthropy through the provision of information, professional development, resources and networking and collaboration opportunities

- promoting strong and transparent governance standards in the philanthropic sector
- providing information to those seeking to understand, access or partner with the philanthropic sector.

The organisation works Australia-wide from offices in Melbourne, Sydney, Adelaide and Brisbane.

Membership fees, professional development and learning fees, consulting services fees, donations, grants and partnerships all contribute to funding Philanthropy Australia.

Philanthropy Australia's 2017-2020 Strategic Map explains Philanthropy Australia's four-year goals, outlined below.

### 2020 Goals

- To provide an informed and prominent voice for the sector as an advocate and influencer to enable philanthropy to grow and drive effective change.
- To facilitate and support effective working groups, networks and partnerships within and between philanthropy, community, government and business.
- To facilitate openness and transparency, including the efficient collection, analysis and sharing of data and information and to initiate and promote strategic research in order to inform the work and direction of the philanthropic sector.
- To build the capability of the sector through expert and professional learning by providing professional development programs, conferences, master classes and study tours.
- Using technology, to build a community of interest across the sector, engage and share a range of resources, information and tools; and connect and network for shared interest and outcomes.
- To achieve strong governance, an engaged and high performing team, and a financially sound business model.

### Key Financial and Performance results for year-ended 31 December 2018

Philanthropy Australia's evolution of its business model continued into 2018, developed to support achievement of its 2017-2020 strategic goals, as well as financial sustainability. The business model identifies two symbiotic components:

# Council Members' Report continued

For the Year Ended 31 December 2018

- (i) Serving Members – relating to the strategic priorities of connecting and convening, our national Conference, Awards, professional learning and the launch of our digital membership platform, the Better Giving Hub & Foundation Maps Australia. In 2018, our new membership value proposition was launched. The revenue from membership fees aims to cover all costs associated with delivery of these membership services; and
- (ii) Advancing Philanthropy – relating to the strategic priorities of leadership and advocacy, research, data and insight, and strategic projects and collaborations which advance more and better philanthropy. These initiatives are funded by project donations, grants and capacity building support, as well as by the contributions from Philanthropy Champions.

In some cases, Philanthropy Australia receives funding for specific projects which is spread across more than one financial year. These projects include our Storytelling initiative, our digital platform (Better Giving Hub, launched in 2018) and Foundation Maps Australia, and the Economic Case for Philanthropy. Where accounting standards do not allow income to be deferred into the years in which the work will be undertaken, we have recognised this income as a 'surplus' but have noted these as 'restricted funds' within the Profit and Loss Statement and the Equity statement. Where accounting standards allow us to defer income, this has been included in our statement of Financial Position.

At the end of 2018, Philanthropy Australia had an unrestricted surplus from normal operations of \$186,419 (excluding restricted funds tied to future years projects). We received \$345,000 of restricted funds for projects continuing into future years, and at the end of 2018 there is a balance in reserves for expenses of these projects in future years. Together, they make up the 2018 end of year position of a \$531,419 (FY17 \$494,705) surplus.

## PROFIT AND LOSS FOR THE YEAR ENDED 31 DECEMBER 2018

### Revenue and Expenditure by Type and Strategic Activity

	Restricted \$	Unrestricted \$	2018 \$	2017 \$
<b>INCOME</b>				
Connect & Convene – Membership Services	40,000	1,259,634	<b>1,299,634</b>	1,150,425
Leadership – Awards, Conference/Summit, Storytelling, Champions	225,000	1,384,764	<b>1,609,764</b>	940,905
Advocacy, Data & Insight	471,400	64,550	<b>535,950</b>	320,650
Professional Learning		49,967	<b>49,967</b>	398,492
Philanthropic services & programs		113,627	<b>113,627</b>	257,551
Collaboration grants & costs	377,000	57,303	<b>434,303</b>	1,090,475
Governance & Operations		216,660	<b>216,660</b>	262,054
<b>Total Income</b>	<b>1,113,400</b>	<b>3,146,505</b>	<b>4,259,905</b>	<b>4,420,552</b>
<b>EXPENDITURE</b>				
Connect & Convene – Membership Services		(1,047,992)	<b>(1,047,992)</b>	819,694
Leadership – Awards, Conference/Summit, Storytelling	(120,000)	(597,291)	<b>(717,291)</b>	277,576
Advocacy, Data & Insight	(296,400)	(267,575)	<b>(563,975)</b>	427,902
Professional Learning		(77,145)	<b>(77,145)</b>	370,614
Philanthropic services & programs		(90,834)	<b>(90,834)</b>	457,335
Collaboration grants & costs	(352,000)	(57,303)	<b>(409,303)</b>	838,842
Governance & Operations		(821,946)	<b>(821,946)</b>	733,884
<b>Total Expenses</b>	<b>(768,400)</b>	<b>(2,960,086)</b>	<b>(3,728,486)</b>	<b>3,925,847</b>
<b>Total Surplus (Deficit)</b>	<b>345,000</b>	<b>186,419</b>	<b>531,419</b>	<b>494,705</b>

Philanthropy Australia developed clear targets for partnership income for our strategic projects, member and Thought-leader events, and our Conference. Our Philanthropy Champions initiative grew, with over 20 philanthropy leaders supporting Philanthropy Australia for three years, under-pinning our capacity whilst we advance philanthropy, and embark on our membership transition strategy.

We were fortunate to achieve these 2018 targets for support and ended the year with a surplus. Our philanthropy Champions supported our capacity building with donations of \$610,000, contributing to, and enabling PA to be proactive in our policy and advocacy work in 2018, and improving our ongoing financial stability of our operating reserves.

Our income remained steady against 2017, \$4.259 million. Our national conference provided \$570,446 of registration fees. Sponsorships, and project grants increased by 31%. Income from collaboration partnerships and government grants decreased in 2018 as PA concluded large programs with NAB and local government.

Our membership fees were \$1.028 million. Membership numbers declined in 2018, a decline of 4%. Primarily, the membership loss since 2016 has come from the New Generation of Giving program (a decline of over 120 members). This program will be relaunched in 2019 with a new strategy and focus.

<b>MEMBERS</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Number of new members	<b>141</b>	87	158
Number of continuing members	<b>462</b>	495	478
New Gen members	<b>37</b>	83	159
<b>Total Members</b>	<b>640</b>	<b>665</b>	<b>795</b>

Expenditure was aligned to our budget plans for 2018. Our national Conference increased our events and marketing expenditure. PA invested in improving our CRM and ICT platforms in 2018, including our strategic projects (the Better Giving Hub, Foundation Maps Australia). We expanded our FTE team and headcount to deliver on our strategic goals.

# Council Members' Report continued

For the Year Ended 31 December 2018

## INFORMATION ON OTHER KEY NON-COUNCIL MEMBERS

### Sarah Davies, CEO

Prior to joining Philanthropy Australia in October 2015, Sarah was CEO of The Reach Foundation, a for-purpose organisation working to improve the wellbeing of young people so they can get the most out of life. Sarah has also been CEO of the Australian Communities Foundation, a non-profit charitable foundation which enables accessible philanthropy and matches its donors' interests to emerging social issues and needs of communities. Before moving into the non-profit sector, her professional life included senior executive roles in tertiary education in Australia and private sector consulting in HR, marketing and strategy in Australia, Europe and the Middle East. Sarah's current community roles include Director of Kids Under Cover and board member of the Centre for Social Impact. Sarah is a Fellow of the Australian Institute of Management, a Member of the Australian Institute of Company Directors, a Fellow of the Williamson Community Leadership Program and a Victorian JP.

### Elizabeth O'Brien, Audit, Risk and Compliance Committee Chair, Treasurer and Company Secretary

Elizabeth O'Brien is the Audit, Risk and Compliance Committee Chair, Treasurer and Company Secretary. Elizabeth O'Brien is a partner at PricewaterhouseCoopers. Elizabeth led the Financial Services Assurance Practice in Melbourne until her recent relocation to the Financial Assurance Practice in Sydney. Elizabeth is a Registered Company Auditor, a Member of the Institute of Chartered Accountants in Australia and holds a Commerce degree from The University of Melbourne.

Signed in accordance with a resolution of the Members of the Council:



**Alan Schwartz AM**  
President

Dated 28 February 2019



**Elizabeth O'Brien**  
Audit, Risk and Compliance Committee Chair



## Auditors Independence Declaration to the Council Members of Philanthropy Australia

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2018, there have been:

- (i) no contraventions of the auditor independence requirements as set out in section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit of Philanthropy Australia.

*Saward Dawson*

**Saward Dawson**

*Jeffrey Tulk*

Jeffrey Tulk  
Partner

Blackburn VIC

Dated: 28 February 2019

20 Albert Street / PO Box 256  
Blackburn Victoria 3130  
T: +61 3 9894 2500  
F: +61 3 9894 1622  
contact@sawarddawson.com.au  
www.sawarddawson.com.au

**PRINCIPALS:** Bruce Saward FCA Peter Shields FCA  
Joshua Morse CA Jeff Tulk CA  
Matthew Stokes CA  
**Directors:** Marie Ickeringill SSA Cathy Braun CA  
Murray Nicholls CA Vicki Adams CA CPA CFP®

Liability limited by a scheme approved under Professional Standards Legislation



# Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2018

	Note	2018 \$	2017 \$
<b>INCOME</b>			
Member fees		1,028,878	1,080,085
Subscriptions (Online directory)		51,977	69,538
Grants, donations and sponsorships	2	1,905,487	1,403,077
Government grants		-	215,838
Collaboration grants and donations		377,000	1,090,475
Conference (Summit 2017) registrations		570,446	146,455
Thought-leader events and member programs		102,074	136,569
Philanthropic Services consulting and other income		200,275	241,844
Interest income		23,768	36,671
<b>Total Revenue</b>		<b>4,259,905</b>	<b>4,420,552</b>
<b>EXPENDITURE</b>			
Events and Programs		(330,219)	(147,763)
Marketing and Communications		(121,662)	(71,030)
Travel and Accommodation		(145,375)	(143,454)
Premises (In-kind) and Rent	2	(172,940)	(153,006)
Finance and Administration		(174,090)	(119,393)
ICT, CRM and Digital		(108,850)	(87,433)
Auditors remuneration		(6,100)	(6,320)
Depreciation and amortisation		(12,560)	(16,421)
Consultants Projects		(328,263)	(996,318)
Personnel benefits		(1,890,708)	(1,584,148)
HR and Personal Development		(85,219)	(20,486)
Grants and Donations		(352,500)	(580,075)
<b>Total Expenses</b>		<b>(3,728,486)</b>	<b>(3,925,847)</b>
<b>Surplus from continuing operations</b>		<b>531,419</b>	<b>494,705</b>
<b>Other comprehensive income for the year</b>		<b>-</b>	<b>-</b>
<b>Total surplus and comprehensive income for the year</b>		<b>531,419</b>	<b>494,705</b>

This Statement should be read in conjunction with the Notes to the Financial Report.

# Statement of Financial Position

As at 31 December 2018

	Note	2018 \$	2017 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	1,296,527	943,681
Trade and other receivables	4	47,256	137,707
Financial assets	5	904,875	1,005,970
Other assets	7	21,183	21,412
<b>TOTAL CURRENT ASSETS</b>		<b>2,269,841</b>	<b>2,108,770</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	6	29,268	21,547
<b>TOTAL NON-CURRENT ASSETS</b>		<b>29,268</b>	<b>21,547</b>
<b>TOTAL ASSETS</b>		<b>2,299,109</b>	<b>2,130,317</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	8	187,601	245,701
Income in Advance	9	532,935	855,864
Employee benefits	10	126,801	77,751
<b>TOTAL CURRENT LIABILITIES</b>		<b>847,338</b>	<b>1,179,316</b>
<b>NON-CURRENT LIABILITIES</b>			
Income in Advance	9	-	30,213
Employee benefits	10	21,707	22,143
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>21,707</b>	<b>52,356</b>
<b>TOTAL LIABILITIES</b>		<b>869,045</b>	<b>1,231,673</b>
<b>NET ASSETS</b>		<b>1,430,064</b>	<b>898,645</b>
<b>EQUITY</b>			
Retained surplus		898,645	403,939
Surplus from general operations		186,419	344,290
Surplus restricted for future operations		345,000	150,415
<b>Total Surplus/(Deficit) Current Year</b>		<b>531,419</b>	<b>494,705</b>
<b>TOTAL EQUITY</b>		<b>1,430,064</b>	<b>898,645</b>

This Statement should be read in conjunction with the Notes to the Financial Report.

# Statement of Cash Flows

For the Year Ended 31 December 2018

	Note	2018 \$	2017 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from members and supporters and events		1,640,679	1,826,091
Sponsorships, donations and grants received		1,918,358	2,255,033
Payments to suppliers and employees		(3,309,011)	(3,600,494)
Interest and Other Income received		22,005	36,671
Net cash provided by (used in) operating activities	15	272,031	517,301
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Net placement of term deposits		101,096	127,270
Purchase of property, plant and equipment		(20,281)	(23,188)
Net cash used by investing activities		80,815	104,082
Net increase/(decrease) in cash and cash equivalents held		352,846	621,383
Cash and cash equivalents at beginning of year		943,681	322,298
<b>Cash and cash equivalents at end of financial year</b>	3	<b>1,296,527</b>	943,681

This Statement should be read in conjunction with the Notes to the Financial Report.

# Statement of Changes in Equity

For the Year Ended 31 December 2018

	Restricted Funds Reserve \$	Unrestricted Reserve \$	Retained Surpluses \$
<b>2018</b>			
<b>Balance at 1 January 2018</b>	<b>150,415</b>	<b>748,230</b>	<b>898,645</b>
Surplus for the year	345,000	186,419	<b>531,419</b>
Transfer Restricted funds used during 2018	(95,415)	95,415	-
<b>Balance at 31 December 2018</b>	<b>400,000</b>	<b>1,030,064</b>	<b>1,430,064</b>
<b>2017</b>			
<b>Balance at 1 January 2017</b>	-	<b>403,939</b>	<b>403,939</b>
Surplus for the year	150,415	344,290	<b>494,705</b>
Transfer Restricted funds used during 2017	-	-	-
<b>Balance at 31 December 2017</b>	<b>150,415</b>	<b>748,230</b>	<b>898,645</b>

*Note 1(L) of the Financial Statements explains the distinction of funds and reserves.*

This Statement should be read in conjunction with the Notes to the Financial Report.

# Notes to the Financial Statements

For the Year Ended 31 December 2018

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### (a) Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the *Australian Charities and Not-for-profits Commission Act 2012*. Philanthropy Australia is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

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 these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, 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 amounts presented in the financial statements have been rounded to the nearest dollar.

### (b) Comparative Amounts

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

### (c) Income Tax

The Association is registered with the Australian Charities and Not-for-Profit Commission (ACNC) and is exempt from income tax under *Division 50 of the Income Tax Assessment Act 1997*.

### (d) Leases

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

### (e) Revenue and other income

The membership fee from members is recognised proportionately over the subscription year. Any balance not earned as income at year-end is recognised as unearned income in liabilities.

Revenue from member fees and subscriptions are treated as income when paid.

Interest revenue is recognised on a proportional basis, considering the interest rates applicable to the financial assets. Revenue from the sale of goods is recognised upon delivery of goods to customers.

Grant and donation revenue is recognised in the statement of profit or loss and other comprehensive income when the entity obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably. Donations are recognised immediately on receipt.

Collaboration Grants and donations are recognised separately, as these receipts (and subsequent grants by PA) occur when Philanthropy Australia leads with sector partners on initiatives to advance philanthropic learning and research.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and grant revenue is recognised in the statement of financial position as a liability until the services has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

Revenue from member events, workshops, seminars, webinars, study tours and The Philanthropy Conference (or Summit) was recognised as income in advance and brought to account as income after the completion of the event. This revenue is recognised as income when invoiced and earned. All revenue is stated net of goods and services tax (GST).

### (f) Goods and Services Tax (GST)

Revenue, 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 Taxation Office (ATO).

Receivables and payables are stated inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

#### (g) Plant, Equipment and Software Development

Each class of plant, equipment and software development is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment and software development is measured on a cost basis less depreciation and impairment losses. Cost includes expenditure that is directly attributable to the asset. In the event the carrying amount of plant and equipment or software development is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present.

#### Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Fixed asset class	Depreciation rate
Furniture, Fixtures and Fittings	33%
Office Equipment	33%
Software Development	33-100%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

#### (h) Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that Association becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

#### Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity. Investments are classified as held-to-maturity if it is the intention of the Association's management to hold them until maturity.

Held-to-maturity investments are subsequently measured at amortised cost using the effective interest method, with revenue recognised on an effective yield basis. In addition, if there is objective evidence that the investment has been impaired, the financial asset is measured at the present value of estimated cash flows. Any changes to the carrying amount of the investment are recognised in profit or loss.

#### (i) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, on demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Any bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position.

# Notes to the Financial Statements continued

For the Year Ended 31 December 2018

## (j) Employee benefits

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than twelve months after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to the probability that the employee may satisfy vesting requirements. Cash flows are discounted using market yields on corporate bonds with terms to maturity that match the expected timing of cash flows. Changes in the measurement of the liability are recognised in profit or loss.

For the purpose of measurement, AASB 119 defines obligations for short-term employee benefits as obligations expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related services. In accordance with AASB 119, provisions for short-term employee benefits are measured at the (undiscounted) amounts expected to be paid to employees when the obligation is settled, whereas provisions that do not meet the criteria for classification as short-term (other long-term employee benefits) are measured at the present value of the expected future payments to be made to employees.

## (k) Critical accounting estimates and judgments

### Key estimates – impairment

Philanthropy Australia assesses impairment at the end of each reporting year by evaluating conditions specific to the Association that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations, which incorporate various key assumptions.

## (l) Restricted/Unrestricted funds and equity reserves

Restricted funds are funds received or reserves held that must be spent on the purpose for which they were received or are held. They comprise grant funding that must be spent in accordance with the terms of the funding agreement and donations and sponsorships where the donor indicates a condition or preference for how the funds should be spent. All other funds are unrestricted in that the Council has the discretion to spend them on purposes for which Philanthropy Australia was established.

### The purpose of separately identifying Philanthropy Australia reserves is as follows:

Retained Earnings (Unrestricted Reserves) – The reserve is established for retained earnings, to stabilise short term fluctuations in cashflows to ensure Philanthropy Australia is financially resilient and can continue its strategic objectives uninterrupted.

Restricted Funds Reserve – The restricted funds reserve represents unexpended grants, sponsorships and donations allocated to specific purpose initiatives and projects that cross reporting years, which develop the capability and capacity of Philanthropy Australia to Advance Philanthropy.



	2018 \$	2017 \$
<b>2 GRANTS, DONATIONS AND SPONSORSHIPS</b>		
Within our Sponsorships, Philanthropy Australia recognises the generous in-kind market values our state office rental as follows;		
Westpac (Sydney Office)	41,600	15,600
ANZ (Melbourne office)	100,800	100,800
The James & Diana Ramsay Foundation (Adelaide office)	15,600	12,800
Tim Fairfax Family Foundation (Queensland Office)	14,400	14,400
Total In-Kind Sponsorships	172,400	143,600
Grants and Donations	1,592,610	1,067,277
Sponsorships	140,477	192,200
	1,905,487	1,403,077

### 3 CASH AND CASH EQUIVALENTS

Cash on hand	94	300
Cash at bank	1,296,433	943,381
<b>Total cash and cash equivalent</b>	<b>1,296,527</b>	<b>943,681</b>

### 4 TRADE AND OTHER RECEIVABLES (CURRENT)

Trade receivables	39,866	85,495
Other receivables	7,390	52,212
<b>Total current trade and other receivables</b>	<b>47,256</b>	<b>137,707</b>

### 5 FINANCIAL ASSETS

Held-to-maturity financial assets	904,875	1,005,970
<b>Total other financial assets</b>	<b>904,875</b>	<b>1,005,970</b>

# Notes to the Financial Statements continued

For the Year Ended 31 December 2018

	2018 \$	2017 \$
<b>6 PROPERTY, PLANT AND EQUIPMENT</b>		
<b>Furniture, fixtures and fittings</b>		
At cost	13,212	13,212
Less accumulated depreciation	(13,212)	(13,212)
Total furniture, fixtures and fittings	-	-
<b>Office and IT equipment</b>		
At cost	68,489	48,208
Less accumulated depreciation	(39,221)	(26,661)
Total office equipment	29,268	21,547
<b>Software and CRM Development</b>		
At cost	19,000	19,000
Less accumulated depreciation	(19,000)	(19,000)
Total office equipment	-	-
<b>Total property, plant and equipment</b>	<b>29,268</b>	<b>21,547</b>

## Movements in carrying amounts of property, plant and equipment

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Furniture & Fittings \$	Office/IT Equipment \$	Software & CRM \$	Total \$
<b>Year ended 31 December 2018</b>				
Balance at the beginning of the year	-	21,547	-	21,547
Purchases/additions	-	20,281	-	20,281
Disposals and write-offs	-	-	-	-
Depreciation write-back	-	-	-	-
Depreciation expense	-	(12,560)	-	(12,560)
Balance at the end of the year	-	29,268	-	29,268
<b>Year ended 31 December 2017</b>				
Balance at the beginning of the year	-	4,484	10,296	14,780
Purchases/additions	-	23,188	-	23,188
Disposals and write-offs	(2,138)	(22,060)	-	(24,199)
Depreciation write-back	2,138	22,060	-	24,199
Depreciation expense	-	(6,125)	(10,296)	(16,421)
Balance at the end of the year	-	21,547	-	21,547

	Note	2018 \$	2017 \$
<b>7 OTHER CURRENT ASSETS</b>			
Prepayments		21,183	21,412
<b>Total</b>		<b>21,183</b>	<b>21,412</b>
<b>8 TRADE AND OTHER PAYABLES</b>			
Trade payables		111,455	151,942
Other payables		76,146	93,759
<b>Total</b>		<b>187,601</b>	<b>245,701</b>
<b>9 INCOME IN ADVANCE</b>			
<b>CURRENT LIABILITIES</b>			
Advance membership income		392,935	484,500
Advance grant, partnership and other program income	1(e)	140,000	371,364
<b>Total</b>		<b>532,935</b>	<b>855,864</b>
<b>NON-CURRENT LIABILITIES</b>			
Advance membership income		-	30,213
<b>Total</b>		<b>-</b>	<b>30,213</b>
<b>10 EMPLOYEE BENEFITS</b>			
<b>CURRENT LIABILITIES</b>			
Provision for annual leave		94,976	77,751
Superannuation payable		31,825	-
<b>Total</b>		<b>126,801</b>	<b>77,751</b>
<b>NON-CURRENT LIABILITIES</b>			
Provision for long service leave		21,707	22,143
<b>Total</b>		<b>21,707</b>	<b>22,143</b>

In 2018, Philanthropy Australia finished the year with staff FTE 16.7, headcount 21 (2017: FTE 13.8, headcount 15).

# Notes to the Financial Statements continued

For the Year Ended 31 December 2018

	2018 \$	2017 \$
<b>11 CAPITAL AND LEASING COMMITMENTS</b>		
Operating Leases		
Minimum lease payments under non-cancellable operating leases:		
- not later than one year	11,562	11,562
- between one year and five years	27,942	39,505
<b>Total</b>	<b>39,505</b>	<b>51,067</b>

The operating lease relates to printer/photocopiers and phone lines (phones ended 2018)

## 12 FINANCIAL RISK MANAGEMENT

Philanthropy Australia's financial instruments consist mainly of deposits with banks and accounts receivable and payable. The carrying amounts for each category of financial instruments, measured in accordance with AASB 139 detailed in the accounting policies to these financial statements are as follows:

	Note	2018 \$	2017 \$
<b>Financial Assets</b>			
Cash and cash equivalents	3	1,296,527	943,681
Held-to maturity investments	5	904,875	1,005,970
Trade and other receivables	4	47,256	137,707
<b>Total</b>		<b>2,248,657</b>	<b>2,087,359</b>
<b>Financial liabilities at amortised cost</b>			
- Trade and other payables	8	187,601	245,701
<b>Total</b>		<b>187,601</b>	<b>245,701</b>

## 13 KEY MANAGEMENT PERSONNEL DISCLOSURES

Philanthropy Australia recognises the senior management team (FTE 6) as having delegated authority for planning, executing and controlling the entity activities. The total remuneration paid to key management personnel during the year are as follows:

	2018 \$	2017 \$
Salaries and benefits	646,810	551,895
Superannuation	61,086	52,069
<b>Total</b>	<b>707,896</b>	<b>603,964</b>

Council members receive no remuneration for their time, and provide their services in-kind.

## 14 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

In the opinion of the Council Members, Philanthropy Australia did not have any contingencies at 31 December 2018

(31 December 2017: None)

## 15 CASH FLOW INFORMATION

	2018 \$	2017 \$
Reconciliation of net income to net cash provided by operating activities:		
Surplus/(deficit) for the year	531,419	494,705
Cash flows excluded from profit attributable to operating activities		
Non-cashflows in surplus		
- depreciation	12,560	16,421
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	88,689	(44,803)
- (increase)/decrease in prepayments	1,991	1,302
- increase/(decrease) in income in advance	(353,142)	(151,406)
- increase/(decrease) in trade and other payables	(58,100)	173,309
- increase/(decrease) in current employee benefits	49,050	16,381
- increase/(decrease) in non-current employee benefits	(436)	11,392
Cashflow from operations	272,031	517,301

## 16 EVENTS OCCURRING AFTER THE REPORTING DATE

The Philanthropy Australia membership approved the change to its legal entity status from an Incorporated Association (Vic) to a Company Limited by Guarantee at an Extraordinary General Meeting on 28 November 2018.

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of Philanthropy Australia, the results of those operations or the state of affairs of Philanthropy Australia in future years.

## 17 RELATED PARTY DISCLOSURES

A payment of \$3,051 to Board member Genevieve Timmons for the delivery of the Savvy Giving seminars in Sydney and Melbourne was made.

## 18 ASSOCIATION DETAILS

The registered office and principal place of business of the association is:

Philanthropy Australia  
Level 2, 55 Collins Street  
Melbourne VIC 3000

# Certificate by Members of Council/ Responsible Entity Declaration

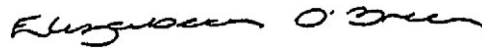
This statement is made in accordance with a resolution of the council and is signed for and on behalf of the council by:

1. The financial report and notes as set out on pages 24 to 35 are in accordance with the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, the *Associations Incorporation Reform Act 2012* (Vic) and comply with Accounting Standards – Reduced Disclosure Requirements; and
2. give a true and fair view of the financial position as at 31 December 2018 and of the performance of the year ended on that date of the association, and
3. at the date of this statement, there are reasonable grounds to believe that Philanthropy Australia will be able to pay its debts as and when they fall due.



**Alan Schwartz AM**  
President

Dated 28 February 2019



**Elizabeth O'Brien**  
Audit, Risk and Compliance Committee Chair

## Independent Audit Report to the members of Philanthropy Australia

### Report on the Audit of the Financial Report

#### Opinion

We have audited the accompanying financial report of Philanthropy Australia, which comprises the statement of financial position as at 31 December 2018, the statement of profit or loss and other 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 council members' declaration.

In our opinion, the financial report of Philanthropy Australia is in accordance with the *Associations Incorporation Reform Act 2012 (Vic)* and Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) giving a true and fair view of the association's financial position as at 31 December 2018 and of its performance and cash flows for the year ended on that date; and
- (ii) complying with the Australian Accounting Standards - Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the association in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

#### Responsibilities of the Council for the Financial Report

The council members of the association are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, the *Associations Incorporation Reform Act 2012 (Vic)* and the *Australian Charities and Not-for-profits Commission Act 2012*. The council's responsibility also includes such internal control as the council determines necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the council is responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the council either intends to liquidate the association or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the association's financial reporting process.

20 Albert Street / PO Box 256  
Blackburn Victoria 3130  
T: +61 3 9894 2500  
F: +61 3 9894 1622  
contact@sawarddawson.com.au  
www.sawarddawson.com.au

**PRINCIPALS:** Bruce Saward FCA Peter Shields FCA  
Joshua Morse CA Jeff Tulk CA  
Matthew Stokes CA  
**Directors:** Marie Ickeringill SSA Cathy Braun CA  
Murray Nicholls CA Vicki Adams CA CPA CFP®  
Liability limited by a scheme approved under Professional Standards Legislation



## Independent Audit Report to the members of Philanthropy Australia

### Information Other than the Financial Report and Auditor's Report Thereon

The council members are responsible for the other information. The other information consist of the council members' report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 registered entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by responsible entities.
- Conclude on the appropriateness of responsible entities' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the registered entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the registered entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

20 Albert Street / PO Box 256  
Blackburn Victoria 3130  
T: +61 3 9894 2500  
F: +61 3 9894 1622  
contact@sawarddawson.com.au  
www.sawarddawson.com.au

**PRINCIPALS:** Bruce Saward FCA Peter Shields FCA  
Joshua Morse CA Jeff Tulk CA  
Matthew Stokes CA  
**Directors:** Marie Ickeringill SSA Cathy Braun CA  
Murray Nicholls CA Vicki Adams CA CPA CFP®

Liability limited by a scheme approved under Professional Standards Legislation





## Independent Audit Report to the members of Philanthropy Australia

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Saward Dawson**

Jeffrey Tulk  
Partner

Blackburn VIC

Dated: 28 February 2019

20 Albert Street / PO Box 256  
Blackburn Victoria 3130  
T: +61 3 9894 2500  
F: +61 3 9894 1622  
contact@sawarddawson.com.au  
www.sawarddawson.com.au

**PRINCIPALS:** Bruce Saward FCA Peter Shields FCA  
Joshua Morse CA Jeff Tulk CA  
Matthew Stokes CA  
**Directors:** Marie Ickeringill SSA Cathy Braun CA  
Murray Nicholls CA Vicki Adams CA CPA CFP®

Liability limited by a scheme approved under Professional Standards Legislation



This page has been left blank intentionally.





**Not a Member?**  
**If you believe in a more  
giving Australia, stand  
with us and join the  
impact movement.**

**[philanthropy.org.au](http://philanthropy.org.au)**