

The opportunity to grow Australia's community foundation network: A strategic roadmap

*How community foundations can accelerate philanthropic giving
and support better outcomes for communities across Australia*



The authors of this report acknowledge and pay respects to the past, present and emerging traditional Custodians and Elders of the country on which we work. We also accept the invitation in the Uluru Statement from the Heart to walk together with Aboriginal and Torres Strait Islander peoples in a movement of the Australian people for a better future.

About Community Foundations Australia

Community Foundations Australia (CFA) is the peak body for Australia's national network of community foundations. It unites and represents these foundations to amplify their collective voice and impact. Established in 2007, CFA is a member-based, not-for-profit organisation and registered charity. Members are community-owned, place-based charities that use first-hand knowledge of local issues to make their communities healthier and fairer, better connected, more inclusive and sustainable. CFA supports community foundation practitioners and those aspiring to join the movement through a range of capacity building programs, projects and regular events.

About Philanthropy Australia

Philanthropy Australia (PA) is the peak body for philanthropy, serving a community of funders, social investors and social change agents working to achieve positive social, cultural, environmental and community change, by leveraging their financial assets and influence. Its purpose is to inspire more and better philanthropy for a generous and inclusive Australia. Its membership consists of trusts, foundations, organisations, families, individual donors, professional advisers, intermediaries and for-profit organisations.

Executive Summary

About this submission

- **This submission outlines the opportunity to grow and strengthen community foundations, in support of the Government's agenda to double giving**, and to enhance community foundations contribution to Australian civic life. It outlines a roadmap for how community foundations can work together with Government and the Australian community, to double giving and grow community foundations by 2030 for long-term community benefit.
- **Community Foundations Australia (CFA) and Philanthropy Australia (PA) have worked together to develop this submission.** Its development has been evidence-based and involved extensive research and consultation.

What are community foundations?



Community foundations are charitable funds established and managed by local people to meet the needs of their communities. There are around 40 community foundations across Australia. They are community owned, community managed, and often place-based. Community foundations offer a sustainable model for philanthropy. They raise money – some of which is invested to build a permanent endowment – and they make grants to support their community's changing needs over the long term. They are catalysts for place-based change, from rural areas to regional towns and major cities.

Our aspiration and targets

- **Our aspiration is to double giving by 2030. It will see Australia's community foundations' total funds under management reach \$1B by 2030, doubling from \$500M in 2021.** We aim to more than double annual donations received and total grant making, from \$40M in 2021 to \$100M by 2030. The targets also aspire to increase the proportion of Australians who can participate in a local community foundation from 60 for 90 percent.

The case to grow community foundations


- **Trends abroad highlight the potential for community foundations to create impact at a greater scale in Australia.** The Australian movement has not yet grown to the same proportionate size and scale seen in peer countries, such as the United Kingdom, Canada, New Zealand and Germany. Canada has five times as many community foundations with ten times the annual disbursements.
- **Community foundations are effective and trusted vehicles to grow giving.** Australians are increasing giving to community foundations at a greater rate than Australians overall tax-deductible giving (growing at an average of 14 percent vs 8.4 percent respectively, from 2016 to 2021). They are attractive to donors as they are trusted, community-governed institutions, enable donors to leave a legacy beyond their lifetime, give locally, and are a cost-effective form of structured giving for smaller gifts.
- **They have been demonstrated to create lasting impact in communities, including as a partner to government.** Community foundations deliver impact because they are run by local people who are passionate about their community, care for its people and want to see it thrive. More than fundraisers, community foundations' unique value is that their giving is based on knowledge, research and evidence of local needs. As a result, they are well placed to know where to invest and how to galvanise local leadership, to drive impact. Over time, the work creates a virtuous circle of community-led change, as successful projects create impact, boost confidence, lift social connection and capital, and inspire ongoing initiatives to improve

the local community. This is why community foundations are such a trusted means of grant distribution and help donors and other funders, including government, get support to where it's needed most. For example, they support responses to emergencies and natural disasters, as seen through the recent floods, bushfires and COVID-19.

Why now? The opportunity

- **There is substantial opportunity to grow community foundations in Australia to accelerate philanthropic giving and support better outcomes for communities.** A strengthened community foundation network can also capitalise on three distinct opportunities.
 1. **Capture a share of Australia's unprecedented intergenerational wealth transfer.** \$2.6 trillion of wealth will transfer from 2021 to 2040, a third of which will be outside our cities. Community foundations and local non-profits could capture a share of that wealth for giving.
 2. **Tap Australia's growing interest in local communities and place-based work.** In recent years, there has been a marked shift in Australian society, with people engaging more in local communities, and government recognising place-based approaches as an important means of addressing social challenges.
 - **Strong community responses to natural disasters and the global pandemic reinforced to all of us the value of local leadership, community participation and grassroots initiatives.** Since then, major re-alignments in how society is organised appear to have converted what might have been a shorter-term trend towards localism into longer-term institutional and cultural arrangements. Many Australians are now working part of their week at home, engaging more in their community, and as research by McCrindle shows, valuing their local community more. With people keen to get involved locally, there is opportunity to grow local giving and volunteering through community foundations. Indeed, a recent poll by Redbridge of over 2,500 Australians shows more than 60 per cent would like the opportunity to donate and get involved with a local community foundation.
 - **The Commonwealth Government is also showing increased interest in place-based initiatives to address complex social challenges, including entrenched disadvantage.** There are at least six Commonwealth place-based initiatives operating in over 130 locations. The Federal Government announced a suite of additional initiatives in the recent budget, including development of a whole-of-government Framework to Address Community Disadvantage, and more funding for the Stronger Places, Stronger People program that addresses place-based disadvantage in communities such as Logan and Burnie. Supporting establishment of community foundations in areas of need can amplify what government can achieve alone, build community buy-in, and expand opportunity to more Australians in low-income communities. In the longer term, as the network approaches national coverage, government will have the capacity to collaborate with a powerful network of foundations to strengthen local communities in a whole suite of policy areas, as has become routine practice in nations such as Canada.
 3. **Help respond to the rising incidence of natural disasters.** The Royal Commission into National Natural Disaster Arrangements stated that 'Australia's disaster outlook is alarming', with climate change exacerbating bushfires, extreme rainfall and flooding. Community foundations have proven vital in the response, working alongside government, but only 60 percent of Australians have access to a local foundation.

Our recommendations

-  **To capture the significant opportunity presented by community foundations to accelerate philanthropic giving across Australia, we have five recommendations across two reform directions for the Government, requiring investment of \$61 million over eight years, from 2024-25 to 2031-32.**
- **Reform Direction One – Catalyse new community foundations.** We need to expand national coverage of community foundations to help grow giving; ensure the majority of Australians can participate in a community foundation; and facilitate community-led change and rising social capital in communities across the nation. We recommend two initiatives:
 1. **Streamlined access to DGR 1 for newly emerging community foundations:** With the government's decision to provide DGR 1 to the existing community foundation network, it no longer makes sense to require future community foundations to go through the costly, time-consuming, and uncertain process of seeking a specific listing in the Tax Act. The Treasury consultation process, informed by the recent release of *Building Community – deductible gift recipient status for community foundations* (28 June 2023), looks a good opportunity to pursue a more streamlined approach.
 2. **Time-limited matched funding to create twenty new community foundations:** Matched funding 'challenge grants' have been instrumental to the growth of community foundations globally and in Australia. Challenge grants incentivise community foundations to match the grant from community giving and galvanise the community and its leadership to drive community-led change. They have been found to rapidly build sustainable assets for foundations, establish committed donor bases, build the fundraising capability of the foundations, and set foundations on the path to long term sustainability and impact.
 - **Reform Direction Two – Build the sustainability and impact of all community foundations.** Boost the scale of all community foundations, to support the double giving aspiration, and ensure the foundations can be enduring assets to Australia's communities, by providing:
 3. **Time-limited matched funding to strengthen the existing network:** While all parts of the network are making an important contribution to local communities, a significant proportion (70 percent) have corpuses below \$5 million – the scale many believe is needed to drive sustainable, long-term impact. Catalytic matched funding would support smaller community foundations reach closer to this size, and all foundations to engage the community and drive local giving and impact.
 4. **Time-limited operational financial support:** For many community foundations, operational support will enable them to employ their first full time staff member, or expand their modest workforce, providing the capability needed to implement the initiatives in this package and set their foundations up for long-term success.
 5. **A stronger peak – Community Foundations Australia (CFA) – to catalyse sector growth.** Since 2007, CFA has played a critical role as a connector, skills developer, sector champion and advocate. However, CFA is resource constrained - an average of ~2 FTE over the last 2 years. Modest government funding and DGR 1 status would position CFA to: work with government on the roll out of these reforms; support the network – particularly new foundations – to achieve sustainable growth; run a national awareness campaign; and support foundations to attract bequests and other donations.
 - Research identified three other high potential ideas to strengthen community foundations - for further exploration, which are outlined overleaf.
 - CFA and PA believe this modest investment represents significant value for money for the Government and would accelerate the growth of community foundations towards a fairer and more inclusive Australia, while supporting the Government's commitment to double giving by 2030. Importantly, this package of reforms is catalytic. It will support the network to reach the scale to be self-sustaining and drive its own long-term growth and impact (though with government continuing to provide the network with DGR status). We would welcome the opportunity to discuss the potential presented in this submission further with the Commissioners and staff of the Inquiry.

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OUR ASPIRATION

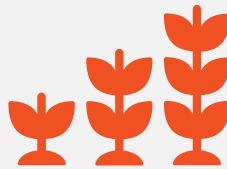
Double giving by 2030

by accelerating the growth of community foundations
for a fairer and more inclusive Australia

OUR TARGETS

2021

- \$500M funds under management
- \$40M annual grant making
- \$37M donations received
- 60% of Australians have access to local community foundations



2030

- \$1B funds under management
- \$100M annual grant making
- \$100M donations received
- 90% of Australians have access to local community foundations

THE CASE FOR COMMUNITY FOUNDATIONS

Effective and trusted vehicles
to grow giving

Create lasting impact in communities,
including as a partner to government

THE OPPORTUNITY

Capture a share of the
intergenerational wealth
transfer

Tap Australia's growing
interest in local communities
and place-based work

Help respond to the rising
incidence of natural disasters

FIVE RECOMMENDATIONS



Catalyse new community foundations

Expand national coverage to ensure the vast majority of Australians can access the benefits foundations generate and can give locally

1. Streamlined access to DGR1 for newly emerging community foundations
2. Time-limited matched funding to create twenty new community foundations



Build the sustainability and impact of all community foundations.

Boost the scale of all foundations, to support the double giving aspiration, and ensure they can be enduring assets to Australia's communities

3. Time-limited matched funding to strengthen the existing network
4. Time-limited operational financial support
5. A stronger peak - Community Foundations Australia - to support the sector's growth

HIGH POTENTIAL IDEAS - for further exploration

- Establish a mechanism for community foundations to access unclaimed charitable moneys
- Consider community foundations as vehicles to manage income streams for community benefit, particularly from large infrastructure projects
- Allocate a share of windfall gains from public prosecutions to community foundations

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1. About this submission

1.1 Purpose and scope of the submission

CFA and PA thank the Productivity Commission for the opportunity to provide a submission to the Commission's Philanthropy Inquiry

This submission outlines the opportunity community foundations present to support the Government's agenda to double philanthropic giving. In doing so it highlights the contribution that community foundations currently make in many aspects of civic life across Australia, which could be significantly enhanced. It outlines a roadmap for how community foundations, together with Government and the Australian community, can work together to accelerate giving, with the objective of doubling giving by 2030, and driving better outcomes in communities as a result. Note the submission does not attempt to address all aspects of the Terms of Reference. A number of community foundations have made submissions to the Inquiry, and Philanthropy Australia has provided a comprehensive submission to the Inquiry [here](#).

We would welcome the opportunity to discuss this submission further with the Commissioners and staff of the Inquiry.

The development of this submission involved extensive engagement and consultation with over forty individuals and organisations across Australia and overseas.¹ The methodology included quantitative analyses and a qualitative survey of the community foundation sector.

1.2 What is a community foundation?

Community foundations are charitable funds established and managed by local people to meet the needs of their communities

Community foundations are community owned, community managed, and often place-based. They bring together donors from all walks of life to support local needs, involving local people in the development of their community or the communities they represent.² Community foundations build permanent financial assets committed to strengthening communities and are catalysts for place-based change, from rural areas to regional towns and major cities.

Community foundations are a sustainable model for philanthropy. They raise money – some of which is invested to build a permanent endowment – and they make grants to support their community's changing needs over the long term. They also cultivate a philanthropic mindset amongst their donor base – encouraging them to give more and give better. In most cases, local volunteers lead their foundation's community engagement, stewardship of funds, and management of operations.

¹ See Appendix for a list of stakeholders engaged.

² Note some community foundations represent more than one discrete community or community of interest. For simplicity through this report we will use the singular rather than plural term.

The unique value of community foundations lies in local action on local priorities and their role in making giving accessible for all. Their shared commitment is to create a fairer, more inclusive Australia.³

Key characteristics

The community foundation model adapts to local needs and priorities. While no two community foundations are exactly the same, many share key characteristics⁴. Community foundations are:

- 1. Incorporated, registered charities**
- 2. Community owned and managed; with directors who represent the community**
- 3. Engaged in community building activities and may also make grants, usually within a defined geographic region**
- 4. Supporting a broad range of charitable purposes**
- 5. Supported by many donors**

³ CFA (2023), CFA [website](#).

⁴ Adapted from CFA's Constitution (2021), clause 14.1. Available through the [ACNC website](#).

2. Our aspiration to grow community foundations

2.1 Our aspiration

This submission sets a bold aspiration for the community foundation sector to **double giving by 2030**. This can be achieved through modest government support, together with the ongoing support of current partners of the sector, Australian communities and businesses.

This aspiration will see Australia’s community foundations’ total funds under management reach \$1B by 2030, doubling from 2021. Further, it strives for annual donations received and total grant making to more than double, from \$40M in 2021 to \$100M by 2030. The targets also aspire for 90 percent of Australians to have access to a local community foundation.



This aspiration was developed through opportunity identification, forecasting analysis and testing through broad consultation. It is achievable with concerted effort from the community foundation sector, and investment from Government. The aspiration includes the combined effect of the opportunity presented by the initiatives outlined in this submission.⁵

⁵ It also includes the likely impact of incoming changes to DGR status allowing donations from Private Ancillary Funds (PAFs) to community foundations.

3. The state of Australia’s community foundations







3.1 Australian community foundations in a global context

Community foundations are a global movement, with over 2,200 established worldwide, mostly in the last few decades⁶

The first community foundation was established in Cleveland in the United States of America in 1914, and Australia’s first – the Lord Mayor’s Charitable Foundation – was established not long after in 1923. The model has grown in popularity more recently, with three quarters of all community foundations globally being established in the last 35 years.⁷

While the sector is developed in Australia, it has not yet grown to the same proportionate size and scale seen in peer countries, such as the United Kingdom, Canada, New Zealand and Germany. Figure 1 below provides some points of comparison across these countries.

Figure 1: International comparison of community foundations, 2020 - 2021

| | Number of community foundations | Funds Under Management (AUD) | Total Grants Distributed (AUD) | Population | Population density (people per km ²) |
|--|---------------------------------|------------------------------|--------------------------------|------------|--|
|  Australia ⁱ | 38 | \$500M | \$37M ⁱ | 25.7M | 3.3 |
|  New Zealand ⁱⁱ | 17 | \$217M | \$8.5M | 5.1m | 18 |
|  UK ⁱⁱⁱ | 47 | \$1.3B | \$190M | 67.3m | 281 |
|  British Columbia ^{iv} | 52 | \$2.2B | \$132M | 5.1m | 4.8 |
|  Canada ^{iv} | 201 | \$7.2B | \$420M | 38.2m | 4 |
|  Germany ^v | 420 | \$810M | \$31M | 83.2m | 240 |

Note that the date of comparison varies slightly across countries between 2020 and 2021 depending on availability of data, outlined in footnotes below.⁸

⁶ Community Foundation Directory (2023), available via their [website](#)

⁷ Community Foundation Atlas (2014), [Global Snapshot](#)

⁸ i. 2021 data. Community Foundations Australia data provided for this analysis (2021) (ref cont'd overleaf)

ii. 2021 data. Community Foundations of NZ, Annual Impact Report (2022)

iii. 2020 data. UK Community Foundations website, Annual Report 2020-21 and website Total grants average \$180m p.a. but rose to \$320m in FY21. \$180m is shown here as a better source of comparison

iv. 2020 data. Community Foundations Canada, Annual Report 2022

v. 2020 data. Alliance of Community Foundations in Germany website (2020)

International comparisons highlight the potential for community foundations to grow in Australia

In Canada, a country with a similar population density to Australia, there are five times as many community foundations with ten times as many annual disbursements. Community foundations in British Columbia alone, a state with 5 million residents, have amassed philanthropic assets of \$2.2 billion, four times that of Australia's network (which totals \$500 million), for a population a fifth the size. The UK, conversely, has a fraction more community foundations than Australia, for a much larger and denser population, but with five times more annual distributions. New Zealand is punching above its weight too – with only half the quantum of funds under management as Australia, for a population a fifth the size. There's clearly more potential for Australia.

Research has confirmed that the conditions in which community foundations have emerged and become sustainable are unique to the socio-political context in each country. Attitudes towards philanthropic giving are a factor, so too are regulatory settings. Our examination of global practice shows growth has been achieved where governments and philanthropy have each intentionally supported the establishment, growth and sustainability of community foundations, both independently and in collaboration, and where there has been a strong peak body enabling that growth. Examples of these initiatives are profiled later in this submission.

3.2 Overview of community foundations in Australia

Australia has 38 community foundations. Most of them were established in the last 25 years

Australia's community foundation sector (or 'network') is relatively small, with 38 foundations currently operating, and two additional in the process of establishment or registration.⁹ A list of Australia's community foundations and their year of establishment is included in the Appendix. Most (90 percent) are less than 25 years old.¹⁰ Figure 2 outlines their distribution across Australia., Australia also has a number of place-based community funds that are nested within other foundations as 'sub-funds'.

⁹ Community foundations must meet the characteristics outlined on page 7 to be considered a community foundation under CFA's guidelines. At time of writing, two organisations are listed sub-funds within Australian Communities Foundation (ACF) but intend to soon become independent organisations, and two additional organisations are soon to become community foundations. See Appendix for a full list.

¹⁰ Australian Community Philanthropy (2020), Community Foundations in Australia: A Blueprint for Growth

Figure 2: Australian community foundations (2021), by state



Approximately 60 percent of the Australian population has access to a local community foundation. ‘Access’ is defined here as the proportion of the population with a locally focused community foundation servicing their Local Government Area (LGA). Many community foundations define the boundaries of their activities with reference to LGAs. However, foundations vary in size and scope, with some operating at a local or regional level servicing one or a small number of LGAs, and others covering multiple areas.¹¹

There is potential to intensify coverage within some of these regions. For instance, the Sydney Community Foundation and Foundation SA service large population areas. If there was community interest, populations of this size may support more community-level activity through more foundations or sub-funds, and with it, community driven investment and impact.

Community foundations use a range of legal structures. Most of them include a public ancillary fund

In Australia, community foundations generally consist of an incorporated trustee (either a company limited by guarantee or an incorporated association) and one or two trusts. One of the trusts will be a Public Ancillary Fund (PuAF) – a vehicle for public philanthropy – that allows community foundations to raise funds from the public (where Private Ancillary Funds cannot).¹² A common use of PuAFs is to enable donors to carry out their giving through a sub-fund, a form of ‘giving account’ that generally sits within a PuAF. PuAFs can only donate to DGR ‘Item 1’ charities and are bound by the requirement to distribute four percent of their total funds under management annually.

While most community foundations use the structure above, a few have been established as a named sub-fund within an existing community foundation, others have been established as Public Benevolent Institutions.¹³

¹¹ Note that the Australian Communities Foundation services all of Australia and donates internationally – for this reason, it has not been included in the measure of ‘local’ access.

¹² Philanthropy Australia (2021), *Blueprint to Grow Structured Giving*, p.8

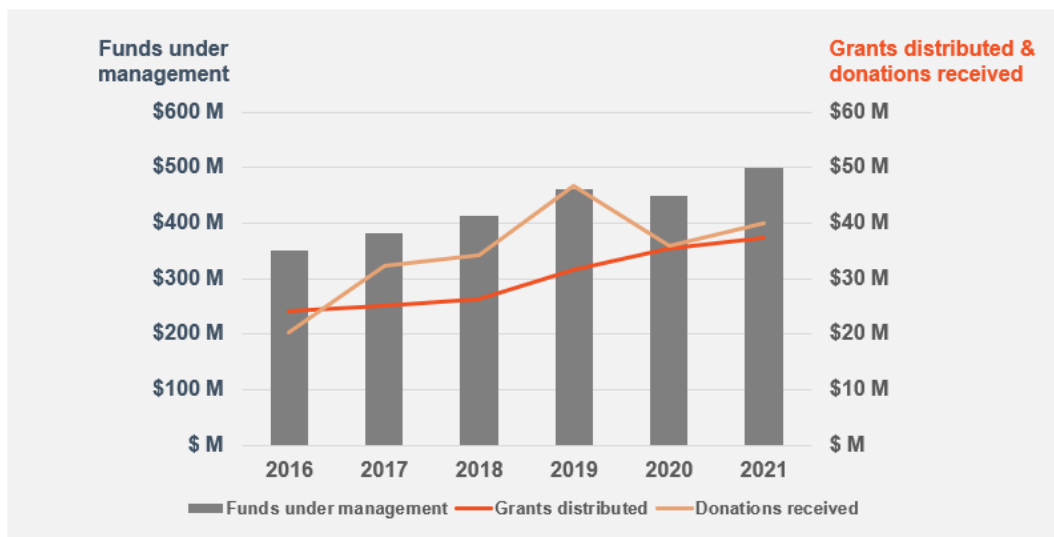
¹³ Foundation SA and Port Phillip Community Foundation operate as sub-funds of the Australian Communities Foundation

Community foundations’ assets have steadily grown, enabling distribution of \$180M in grants to the community since 2016

Key financial metrics for the sector demonstrate how it has grown in size and impact. Figure 3 outlines the last six years of data – including the community foundation network’s total funds under management, total grants distributed, and donations received. A few highlights from the data are outlined below.

- **Funds under management:** The network had a total of \$500M under management in 2021. This combined corpus has grown at a rate of 7 percent per year on average since 2016.
- **Grants distributed:** A total of \$37M was distributed in 2021, equating to 7.5 percent of the total funds under management that year. A total of \$180M in grants has been distributed by community foundations since 2016, and the annual rate of growth in grants distributed averaged 9 percent per year.
- **Donations received:** Community foundations received \$40M in donations in 2021. Annual donations have doubled since 2016 (\$20M), growing at a rate of 14 percent per year on average.

Figure 3: Community foundations, key financials, 2016-2021¹⁴



The rate of growth of donations into community foundations since 2016 has exceeded the rate of growth of Australian tax deductible giving overall

Notably, from 2016 to 2021, total tax-deductible donations by individuals grew by 8.4 percent on average, from \$2.9 billion to \$4.4 billion, compared to 14 percent growth in donations for community foundations over the period.¹⁵ While donations dropped in 2020 with the early impact of COVID-19, this was consistent with philanthropic giving trends across Australia during this period, and community foundations’ grant distributions continued to rise through the pandemic.

¹⁴ Analysis of community foundations data available from the ACNC website for financial years 2015-16 to 2020-21, 2021, as detailed at Appendix 7.2.

¹⁵ ATO Tax Statistics 2020-21. Note the total tax-deductible donations figure includes donations into Private and Public Ancillary Funds, so this is not a perfect measure. Once those donations are accounted for, the rate of growth for individual tax-deductible donations would be even lower – and the comparison for community foundations even more favourable. This is a complex calculation, so has not been undertaken for this analysis.

Community foundations vary in size, though most are relatively small

There is great breadth in the size of community foundations in Australia. Figure 4 outlines some characteristics of the sector by foundation size, including the number of foundations, their financials, and their staffing profile.

Figure 4: Community foundation characteristics by size and key financials in 2021¹⁶

| | | Small \$100k-\$2M FUM | Medium \$2M-\$5M FUM | Large \$5M-\$15M FUM | Extra large \$15M+ |
|--|---|---------------------------------|---|---|--|
| Totals by size | Number of CFs | 19 | 8 | 5 | 3 |
| | Total funds under management | \$13.1M | \$26.3M | \$38M | \$420M |
| | Total grants distributed | \$3.2M | \$2.9M | \$4.2M | \$27M |
| | Total donations received | \$4.4M | \$4.9M | \$8M | \$23M |
| | Total staffing | 9 FTE 291 volunteers | 17 FTE 217 volunteers | 17 FTE 116 volunteers | 34 FTE 102 volunteers |
| Avg. characteristics of foundations, by size | Avg funds under management | \$691K | \$3.3M | \$7.6M | \$139M |
| | Avg grant distributions p.a. | \$170K | \$370K | \$1M+ | \$10M |
| | Avg donations p.a. | \$230K | \$615K | \$1.6M | \$7.6M |
| | Avg # years since establishment ¹⁷ | 17 | 19 | 24 | 50 |
| | Range of staffing | 0-6 FTE Volunteer run (5-50) | 0-7 FTE Large volunteer base (6-100) | 0-14 FTE Large volunteer base (7-80) | 2-20 FTE Large volunteer base (<80) |

There is considerable range within each 'size' category, so conclusions drawn on averages should be made carefully. The Appendix includes key financials for each foundation individually. However, a few observations can be made about different sized foundations.

- **Half of community foundations are considered 'small':** Nineteen foundations have funds under management of less than \$2M in 2021. These foundations are almost exclusively run by volunteers.
- **The amount of donations received, and grants made, grows with foundation size:** Unsurprisingly, there is correlation between fundraising, grants out, and an organisation's scale. Further, the bigger an organisation, the more likely they are to have paid staff.
- **On average, the longer a foundation has been established, the larger it is.** There is a correlation between size and years since establishment. This is logical given a foundations' scale is tied to its endowment, and generally endowments grow with time.

¹⁶ Data from the financial year 2020-2021, drawn from ACNC data outlined at Appendix 7.2. Note the number of community foundations adds to 35, rather than 38. This is because (a) two foundations are sub-funds of Australian Communities Foundation (Foundation SA and Port Phillip Community Foundation); and b) East Gippsland Community Foundation launched in 2021 and was not required to report its financials to the ACNC until 2022.

¹⁷ Years since establishment uses 2023 as the comparison year, rather than the 2021 used for financials.

Perspectives on what size is sustainable for community foundations

Interviews with community foundations in Australia, and experts overseas, highlighted there may be a minimum optimal size for a community foundation to be sustainable.

While opinions on the exact 'optimal' size vary, all interviewed for this submission defined 'sustainable' as the point at which a community foundation's corpus is large enough to cover its operational costs. That is, the interest earned on its endowment would cover grant-making activities as well as the costs of at least one staff member, and other administrative expenses.

Some larger community foundations interviewed targeted keeping their operational costs at less than 2 percent of their total corpus. For a foundation to be able to cover \$100,000 in operational expenses (a full-time staff member and costs), the **corpus would need to be ~\$5 million**. By that measure, only eight of Australia's community foundations are currently at a scale to be sustainable. Some Australian foundations interviewed noted they would be sustainable at twice that figure (\$10 million). In the USA, the figures are larger still.¹⁸

Are paid staff essential? While volunteers are the backbone of the sector, some community foundations shared that having a paid staff member, even casual or part time, made a big difference in the ability to drive the foundation forward. The Executive Director of one Australian community foundation shared their organisation's experience:

"Looking at our financials over time, there's a direct correlation between growth and staffing. The two times we've brought on a paid staff member, we've seen a noticeable jump in our donations and grant-making. The second staff member brought us to just over 1.5 FTE, and our growth from that moment was catalytic."

The operational support is important to engage new donors, but also to help with community foundations' other roles such as distributing grants, undertaking community building activities, and engaging their existing donors. Once foundations reach a tipping point of sustainability, all roles can be humming in unison.

With that said, not all community foundations aspire to be 'very large' if that may not be what is required in their community. However, a survey undertaken for this submission found that 100 percent of respondents wanted to grow both their corpus and grant-making. The median score for desired annual growth was 20 percent, for each (results are summarised in the Appendix).¹⁹

The sector is supported by a peak body and a number of other capacity building organisations

CFA plays a critical role as the peak body for the community foundation sector, fulfilling key roles as:

- **Connector:** Connecting community foundations across Australia in a network that is more than the sum of its parts, through an annual conference, regular meetings and referrals.
- **Skills developer:** Offering its members information, resources, tool kits and an online hub for resource sharing, and brokering opportunities for peer support and learning.
- **Sector champion:** Building the profile of community foundations beyond the sector; undertaking and supporting research; publishing news, research and thought leadership.

¹⁸ Research from 2003 notes the consensus in the USA was \$25 million in funds under management. However (a) the paper is now considerably dated, and (b) community foundations have a very different profile in the USA – with a big focus on donor advised funds contributing to considerably larger community foundations. See Webster, Marion (2003), *Ensuring sustainable community foundations*, p.6.

¹⁹ A survey was conducted of CFA's membership in April 2023 for this submission. 28 responses were received, and are summarised in the Appendix.

- **Advocate:** Working in coalition with partners to advocate for targeted public policy reforms to create a more enabling operating environment for community foundations.

The sector is also fortunate that several organisations play complementary roles, building and maintaining the infrastructure supporting community foundations, and communities themselves. Their roles with respect to supporting community foundations are outlined below.

- **Australian Communities Foundation (ACF):** Australia's only nationally focused community foundation, ACF also provides foundation support services. In this capacity, it hosts sub-funds for community foundations not yet at a scale to operate independently, including Port Phillip Community Foundation, and Foundation SA. It also provides thought leadership and funds initiatives supporting the sector. See [its submission](#) to the Inquiry for further detail.
- **Foundation for Rural and Regional Renewal (FRRR):** While not a community foundation, FRRR supports community foundations in rural and regional areas in a number of ways. It enables community foundations to establish DGR1 endorsed donation accounts with FRRR, which a majority of eligible foundations have done. It funds community foundation capacity building projects and specific community projects, including the Back-to-School voucher program, of which many community foundations are enthusiastic participants.²⁰ FRRR has also provided startup support to newly established community foundations, and provides capacity building support to foundation CEO's and Boards. See [its submission](#) to the Inquiry for further detail.
- **Lord Mayor's Charitable Foundation (LMCF):** Australia's largest and oldest community foundation has long played a thought leadership role in the sector and has provided funding for initiatives supporting it. See [its submission](#) to the Inquiry for further detail.
- **Philanthropy Australia (PA):** Australia's national network organisation for grant makers, PA developed an interest in the community foundation model in ~1999 and has been supporting the sector in various capacities since. When CFA was launched, PA's role shifted to that of a partner, advocate and enabler of the community foundation sector.

²⁰ See FRRR's [Back to School Program](#) and [Media Release: 14 February 2022](#)

4 The case to grow community foundations

4.1 Why community foundations are an effective vehicle for philanthropy

Community foundations are proven vehicles for philanthropy in Australia and overseas – and have significant potential to do so at a greater scale in Australia. Here we explore why that is the case, with reference to two themes:

- **Community foundations are effective vehicles to grow philanthropic giving**
- **Community foundations are effective at creating impact in communities, including as a partner to government.**

Community foundations are effective vehicles to grow philanthropic giving

Australians are increasing their giving to community foundations at a greater rate than Australians' overall tax-deductible giving, as outlined in Section 3. Community foundations are attractive to donors for several reasons.

- a) **Trusted institutions:** Community foundations are a transparent and well-governed platform for donations. They have a strong focus on compliance and risk management, are regulated like other philanthropic institutions, and hold themselves to a high standard – upheld by the peak body.

Case study: Community trust in the Tomorrow Today Foundation ²¹

The Tomorrow Today Foundation recently had an evaluation of their 'Education Benalla Program' - a whole-of-community initiative designed to support young people's schooling as well as their lives and opportunities beyond schooling, to help them succeed. A program stakeholder had this to share.

"I call them a Father Christmas organisation, because no one knocks the Tomorrow Today Foundation. I've never heard a bad word said about them. They're held in high esteem in the community. Without them I've got no doubt in my mind that this town wouldn't be progressing as it is."

- b) **Lasting impact:** Community foundations, like some other forms of structured giving²², enable donors to create lasting impact, as they hold charitable donations as long-term assets for the benefit of the community. This enables a donor to have an impact beyond their lifetime, and makes them an attractive choice for bequests. Foundations can also invest the endowments responsibly at a scale donors mightn't be able to access with smaller amounts of philanthropic funds.

²¹ Ludowyk Evaluation (2022), Evaluation of the Education Benalla Program – Interim Report. Available on request.

²² Private and public foundations, as well as charitable trusts, provide means to accumulate financial assets for the long-term benefit of the community. For a definition of structured giving, see the Philanthropy Australia (2021) [Blueprint to Grow Structured Giving](#), pp 2-3.

Case study: Lasting impact of the Geelong Community Foundation's founding donor

Geelong Community Foundation launched in 2000 and is the third largest in Australia. Ken Stott, a local businessman, became the founding donor of the Foundation through an initial donation of \$2 million, which was followed up with two additional gifts. Since that time his fund with capital growth has increased to around \$13 million, enabling distributions over \$500,000 per annum.²³ Ken passed away in October 2005, but his name lives on as the inaugural and a major named fund donor in the Foundation.

The Foundation has distributed \$12 million since 2000, and in 2022 alone, delivered grants valuing \$1.27 million, improving outcomes for the region across areas including aged care, community wellbeing, family and health services.²⁴

- c) Enabling local giving:** Community foundations fundraise and grant locally. Research suggests donors are more likely to give to causes they are aware of and can identify with. Connections with people and place, based on where people have grown up, live and work can provide a strong point of connection, making local, community-based 'give where you live' campaigns and foundations an attractive option.²⁵ This makes community foundations also an attractive means of tapping into pockets of wealth in our communities, further explored in Section 4.2, and leveraging local community assets for giving. Community foundations also raise awareness of effective charities in their region, which can in turn generate volunteering interest for those charities.

**Case study: How a local community asset helped establish the
Mirboo North & District Community Foundation**

The Foundation was set up in 2010 to hold the proceeds of the sale of a local aged care facility. The community wanted to ensure that the \$5 million arising from the sale would be used in a way that honoured the efforts of over 80 years of giving by community volunteers and donors towards the facility. They chose to establish a community foundation so the funds could create a perpetual benefit from the corpus, and it would be able to focus on strengthening the community and the district that had created the value.

In 12 years, the Foundation has grown that fund to \$8 million through investment, received \$700,000 in donations, distributed \$1.6 million in grants to community organisations, and invested \$2 million of its capital in building a new medical centre facility.²⁶

- d) Enabling structured giving, particularly for smaller donations:** Community foundations enable anyone to be a philanthropist, whatever their capacity to give. Donors can establish 'sub-funds' with community foundations, with as little as \$2,000, a much smaller financial commitment than a PAF which can require ~\$1 million+.²⁷ They are relatively simple to establish and attractive to donors that desire to be more focused on granting and are happy to have less control over the investment of funds. Community foundations also enable a more consistent form of giving – many will donate on an annual basis. Research from 2016 found that those who plan their giving gave six times more than spontaneous givers.²⁸ When donors

²³ Geelong Community Foundation Annual Report (2022)

²⁴ Ibid.

²⁵ Bekkers, R and P Wiepking (2011), *A Literature Review of Empirical Studies of Philanthropy: Eight Mechanisms that Drive Charitable Giving*.

²⁶ Quote sourced from the Mirboo North & District Community Foundation submission to the Inquiry

²⁷ Philanthropy Australia (2021), *Blueprint to Grow Structured Giving*, p. 8.

²⁸ Giving Australia (2016), *Giving Australia 2016: A summary*, p 46.

give through a community foundation, they can also be confident in the cost-efficiency, as they are leveraging the legal and organisational infrastructure already in place at the foundation.

- e) **Enabling collective giving:** Community foundations also host collective giving groups or circles, which enable groups of individuals to donate their own money or time to a pooled fund (a sub-fund). Giving circles are growing in popularity in Australia. A recent study has shown that giving circle members give more money, give more strategically, and engage more deeply in their communities than non-giving circle members.²⁹ Participants are also more likely to tell other people about the organisations their giving circle supports, thereby creating a ripple effect and growing a culture of giving.

Community foundations are effective at creating impact in communities, including as a partner to government

The unique value of community foundations is that their giving is based on knowledge, research and evidence of local needs. Community foundations leverage that knowledge by playing different roles in communities to create impact. This value proposition is explored below, including the roles community foundations play.

Local knowledge, and better-informed giving

Community foundations' giving priorities are informed by local knowledge, research and evidence. They are staffed and governed by those with knowledge of the community or issues the foundation supports. Foundations also procure research on local issues to inform their giving.³⁰ Vital Signs reports are one such example, a widely adopted tool in the sector which draws on data from local communities to understand local needs and better direct supports (see below). Another example is the Ecstra Foundation's partnership with ten community foundations, to deliver tailored local responses informed by local research (see case study below). Foundations also hold knowledge on the charities in their areas they have granted to and that have demonstrated effectiveness.

Vital Signs reports informing community foundations

Vital Signs is a community driven data program used by community foundations around the world to measure the vitality of a local community and identify significant trends in a range of quality-of-life areas such as housing, education, belonging, employment, and community resilience. Local data gathered through the program is used to support evidence-based, locally relevant solutions to improve the quality of life at the community level. The program was developed in Canada in 2001, and is now operating globally, including in Australia, where thirteen foundations have adopted the tool and more do each year.

"It enables us to reflect on the things to improve and the things to celebrate in our city. This informs our granting strategy." – Lord Mayors Charitable Foundation³¹

"The platform is a living, breathing snapshot of our community... Where issues emerge, we can respond, and track what's happening year-to-year, month-to-month." – Ballarat Foundation³²

"It has formed the basis of discussion within the community about how best to target grant resources,

²⁹ Boyd, J. and Partridge, L. (2017), [Collective giving and its role in Australian philanthropy](#)

³⁰ See for example, [research for the Northern Rivers Community Foundation](#)

³¹ Quote sources from Lord Mayor's Charitable Foundations [submission](#) to the Inquiry

³² Quote sourced from Ballarat Times (2022), ['Check-up for Vital Signs'](#) on the launch of Ballarat Foundation's Vital Signs report.

it has also supported grant applications to external funders and most importantly it has built everyone's capacity to have an impact." – Mirboo North & District Community foundation³³

Case study: Community foundations supported by the Ecstra Foundation

The Ecstra Foundation is a grant making charity committed to building the financial wellbeing of Australians. In 2020, they partnered with ten community foundations, providing \$100,000 for each to create and scale initiatives which address issues of financial exclusion and economic equality in their communities.³⁴

The grants were a recognition of the community foundation network's unique ability to execute community-wide projects and create long-term impact. Ecstra was guided by foundations as to how those funds should best be used to address local needs. Community foundations conducted consultations and research to inform the local response, resulting in different responses in each community. For example, Sydney Community Foundation developed financial capability training for female caseworkers across Sydney's community service providers, to better empower them to deliver financial education to their clients. While in remote WA, Denmark Community Foundation built the financial wellbeing of its community by trialling new support models to improve the financial capability of local residents.³⁵

Different roles to create impact

Community foundations generate impact by playing a number of roles in the community, over and above the distribution of grants. Here we explore four roles with illustrative case studies.

- a) **Grant distribution:** A trusted means of distributing and managing grants, community foundations distributed \$37 million to community causes in 2021 alone. They allow individual donors to pool their donations with others to generate greater scale of impact. They also manage acquittal of grants, providing increased accountability for recipients and sustaining the trust of donors. Their services make them an attractive partner to private foundations and government, who have partnered with community foundations to distribute grants on their behalf. For example, Paul Ramsay Foundation is distributing \$30 million in funds over five years through the Australian Communities Foundation (ACF) for a range of causes, including \$3 million for COVID relief in 2021.,.

Case study: A local council using East Gippsland Community Foundation for delivering grants ³⁶

The East Gippsland Community Foundation is one of Australia's newest – launched in 2021 in response to the 2019-20 summer bushfires in Victoria. But they have quickly demonstrated their usefulness. The East Gippsland Shire Council recently asked the East Gippsland Community Foundation to distribute some \$170,000 in grants on its behalf – acknowledging this was a more efficient and effective way to disperse the funds. The Council had received funds from Emergency Recovery Victoria (ERV) to support bushfire recovery. The funds are to support a community events program across 2023.

The Foundation is now in discussions with the Council and ERV to explore taking on more of their grant funding.

³³ Quote sourced from the Mirboo North & District Community Foundation submission to the Inquiry

³⁴ Ecstra Foundation (2020) [Media release: Connecting communities across Australia](#)

³⁵ For further details, see the [Impact report](#) on the Ecstra funding round.

³⁶ See East Gippsland Community Foundation's [submission to the Inquiry](#)

- b) Emergency and disaster response – vital community infrastructure:** Community foundations provide important community infrastructure, supporting responses to emergencies and natural disasters by distributing funds quickly to where they are needed most. In Australia, recent fires, floods, and COVID-19, demonstrated the significant value of community foundations. In the Northern Rivers of NSW, in just two months one community foundation raised and distributed over \$1 million to assist with flood recovery, and distributed a further \$2 million that year (case study below). Further, ACF, through its National Crisis Fund, raised over \$1.5 million and provided over 100 grants to organisations supporting communities affected by the bushfires, COVID-19 and recent flood events.³⁷

Overseas, governments have recognised the usefulness of community foundations in supporting rapid delivery of targeted support, at a scale not seen in Australia (case study below). These examples provide an illustration of the direction Australia could head, through deeper collaboration between governments and the community foundation network.

International Case study: Canadian government distributing \$750M through community foundations and charities³⁸

The Canadian government recently ran two programs distributing a total of \$750M (Canadian dollars) in grants to community organisations. Community Foundations of Canada (the sector's peak body) together with Canadian Red Cross, and United Way Centraide Canada were selected to distribute the funding.

About a third of the total funding will be distributed through community foundations. The design of the policy itself was informed and coordinated together with the peak body; foundations across Canada then assessed applications and delivered grants for their local communities. When the Canadian Government announced the second scheme, they noted the partners had “*demonstrated their capacity to distribute funding to the charitable and non-profit sector in a fair, effective and efficient manner*”. The schemes were:

- **Emergency Community Support Fund (2020):** Provided \$350 million for over 11,570 projects serving vulnerable populations during the COVID-19 pandemic. Community foundations distributed \$100 Million of those funds, through over 180 participating community foundations.
- **The Community Services Recovery Fund (2022 - ongoing):** An investment of \$400 million to help non-profits acquire the tools they need to adapt and modernise so they can better support pandemic recovery in communities across Canada. Community foundations are currently assessing applications and making grants.

The following case studies from Australia highlight how quickly and effectively community foundations rose to the moment in response to COVID-19 and the devastating floods of 2022.

Case study: COVID-19 Disaster Relief Fund at the Inner North Community Foundation

The Inner North Community Foundation launched the COVID-19 Disaster Relief Fund on 20 March 2020, two days after the state of emergency was declared in Victoria. The Fund was a support program with a focus on supporting local people and charities through:

1. Rapid Response grants for local not-for-profits to respond in flexible and creative ways.
2. Emergency relief vouchers for families to buy essentials, with vouchers allocated by local charities.
3. Pathways to Employment that support people in the community impacted by COVID-19.

³⁷ See ACF (2023), The Flood Crisis Isn't Over, its National Crisis Fund website, and submission to the Inquiry for detail.

³⁸ See Community Foundations of Canada, Press Release (2022): Government of Canada announces National Funders selected to support charities and non-profits and (2021) Emergency Community Support Fund Results

A public call for donations received \$526,939 from local people, businesses and other groups. Local government contributed \$180,000 to the Fund, which leveraged additional community capital.

The bulk of funds were distributed in the first 6 months to more than 150 local community groups. Rapid response grants supported 67,000 people, vouchers reached 3,000 families, and the Pathways to Employment program helped 230 people secure work.³⁹ The grants program received the Community Philanthropy Award from Philanthropy Australia in 2021.⁴⁰

Case study: Northern Rivers Community Foundation's Flood Relief Fund⁴¹

In February and March 2022, flooding events devastated NSW's Northern Rivers region, breaking numerous rainfall and river height records. In the weeks following the disaster, the Foundation launched The Flood Relief Fund, in partnership with the Byron Community Centre, to offer quick response grants of up to \$10,000 to community organisations to provide flood relief and recovery for the Northern Rivers. As of May 2022, within just three months of the flooding events, the Fund had raised and distributed almost \$1 million to 106 recipients, including some funds raised through ACF's National Crisis Fund.⁴²

A year on, recovery efforts are still underway, and the impact will continue to be felt for years to come. The Foundation is undertaking ongoing research into the community's recovery to identify and raise awareness of what additional support is needed.

2022 was the biggest year in the Foundation's history, with \$2.9 million facilitated and distributed across six grant programs and over \$4 million raised to support disaster response, women's empowerment, affordable housing, education, environment and community grants. The surge in community support was also made possible by the Australian Tax Office's 'Australian Disaster Relief Fund' designation, which enabled the Foundation to receive donations from Private Ancillary Funds.⁴³

- c) **Convening, collaborating and coordinating:** Foundations also convene, collaborate and coordinate local responses. They leverage long established trusted relationships in the community, and an understanding of how to access and communicate with government, business, philanthropy and community organisations alike to get things done.

The example below demonstrates well what the community convening and collaborating role looks like in practice.

Case study: Red Earth Community Foundation empowering their community to co-design their own future

Red Earth Community Foundation serves the Burnett Inland in Queensland, a vast area stretching from the Great Dividing Range to the Burnett River catchment near Bundaberg, covering three local government areas. Like many regional areas, the Burnett Inland is in a period of transition. In 2019, it was clear the region faced a choice: innovate and grow, or disinvest and decline. Natural disasters, shifts in industry and technology, and a hollowing out of its younger population were threatening its future.

To overcome these complex challenges, the Foundation knew the community needed a collective vision for the region in 20, 30 and 50 years. But expertise existed largely in siloes, with little collaboration and knowledge-sharing across councils, agencies and sectors. And with election cycles every four years, regional planning rarely considered outcomes for a horizon longer than five years.

³⁹ See Pathways to Employment Fund 2021 Annual [Report](#). The Foundation contributed \$150,000 to the employment Fund, of \$722,000 total expenditure that year.

⁴⁰ Inner North Community Foundation (2021), [Inner North COVID-19 Disaster Relief Fund, Final report](#)

⁴¹ Northern Rivers Community Foundation (2023), [Research, Respond, Recover: A year on from the disaster](#).

⁴² See ACF (2023), [The Flood Crisis Isn't Over](#).

⁴³ ATO (2020), [Setting up an ADRF](#)

Red Earth Community Foundation developed the Burnett Inland Futures platform in response, positioning themselves as a 'backbone organisation' for the whole region. The Foundation acted as a trusted, neutral convener, bringing people together from across government, academia and community, attracting crucial funding, and harnessing the knowledge of local community members. The collaboration has resulted in a comprehensive research report and the formation of a formal network of community members and stakeholders that come together to guide the plan's vision and strategy, establish shared measurement practices, support aligned activities, build public good will, and advance policy. Red Earth Community Foundation provides ongoing facilitation of the network, building strong foundations for long-term community collaboration and resilience.

- d) **Advocacy:** Community foundations are also well placed to identify issues and advocate for change in partnership with others, given the birds eye view they have of the needs of their local communities.

Case study: Geelong Funders Collaborative

The Geelong Funders Collaborative, established in 2018 by the Geelong Community Foundation, is a collaboration of private funders with an interest in more effective giving to the Geelong region. It is a great example of coordinated, informed local giving, and also demonstrates a facilitative advocacy role that foundations can play.⁴⁴

The Collaborative meets regularly through the year to share knowledge and insights on the issues affecting the community, to help streamline the grant-making process for community organisations in the region, and to connect funders with potential applicants in the Geelong region. In so doing, participants have identified issues in the community and supported multi-year projects to address those issues – helping to resolve issues in the local service delivery system.

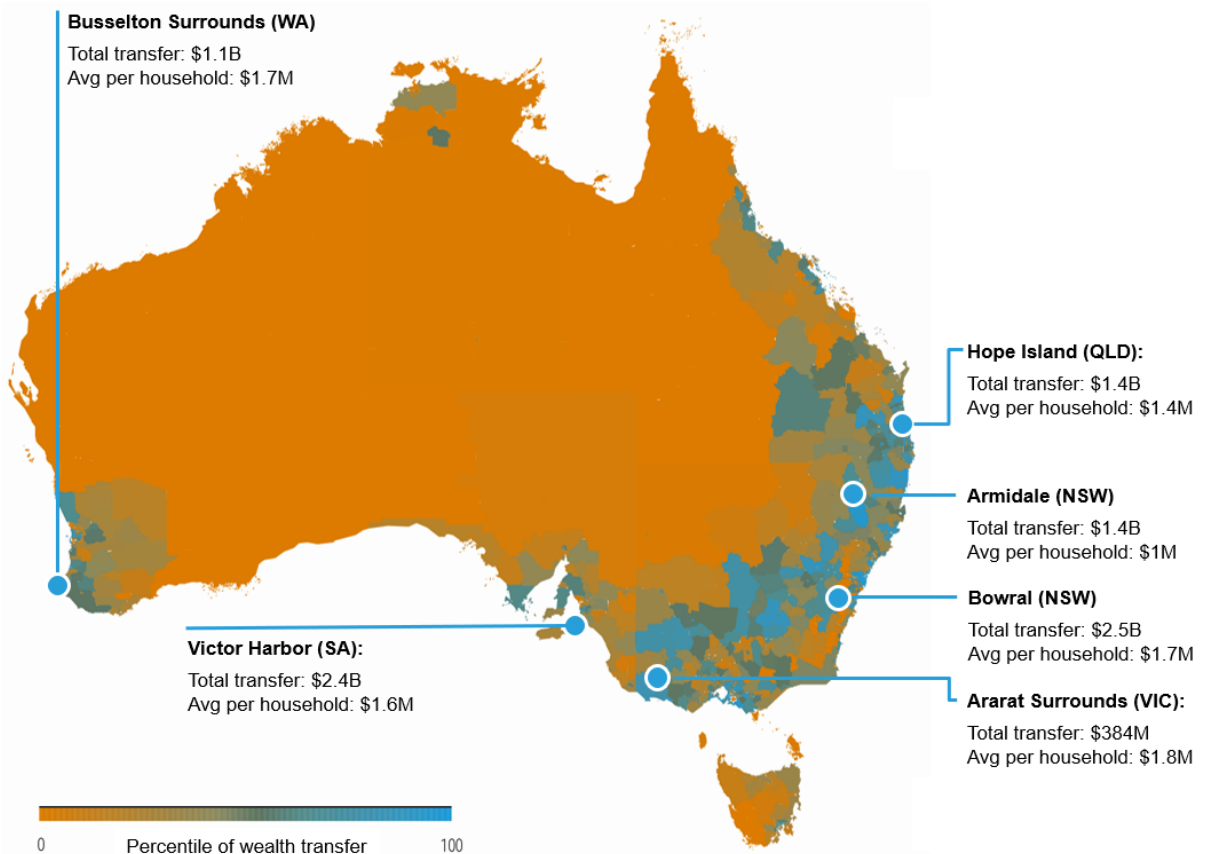
⁴⁴ Sourced from an interview with the Geelong Community Foundation, and their 2020-21 Annual Report.

4.2 The opportunity to grow community foundations

There is substantial opportunity to grow community foundations in Australia to accelerate philanthropic giving and support better outcomes for communities across Australia. The combined effect of growing interest in place and locally focused, community efforts and investments, together with the intergenerational wealth transfer currently underway, creates an unprecedented opportunity which community foundations are well placed to capture.

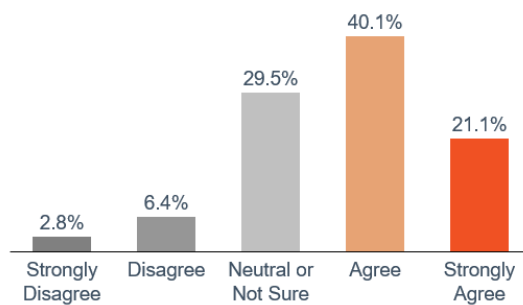
1. **Unprecedented intergenerational wealth transfer:** Updated analysis undertaken for this submission by Seer Data and Analytics, highlights Australia is expecting an unprecedented \$2.6 trillion wealth transfer from 2021 to 2040, \$1.3 trillion of which will transfer over the ten years to 2035 (Figure 5). Of this, a considerable amount of wealth sits in our regions. About a third (34 percent) of wealth will transfer outside of our cities – \$438 billion over the ten years to 2035. While the bulk of the wealth transfer will occur in Australia’s largest population centres along the east coast, the distribution across the country presents an opportunity for community foundations and other organisations working in these important regional centres to capture a share of that wealth for giving.

Figure 5: Intergenerational wealth transfer
By Statistical Area Level 2, 2026-2035, including select examples of top percentile regional transfers



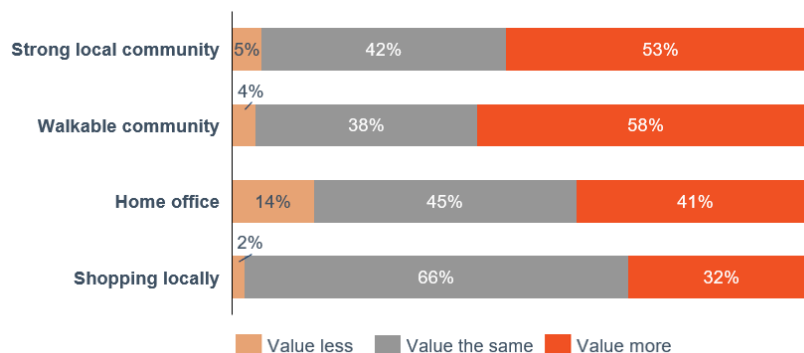
2. **Growing interest in place-based and community work:** Community responses to the 2019-20 bushfires and COVID-19 pandemic reinforce the value Australians' place in local leadership and 'grassroots' initiatives. Polling and focus groups by Redbridge commissioned by Philanthropy Australia in 2022 confirm this ongoing trend towards community in Australia, with strong support for community foundations operating in local communities. When asked whether they would like the option to donate or be involved in a community foundation, over sixty percent of people surveyed agreed, with a further thirty percent unsure – highlighting an opportunity to build public awareness of foundations and get more Australians involved in giving and volunteering locally.

Figure 6: Proportion of Australians who would like the option of donating or being involved with a community foundation⁴⁵



Research by McCrindle helps explain this trend, highlighting the cultural shift towards localism that has occurred as a result of the COVID experience. It found a majority of people more highly value having a strong local community than they did pre-pandemic (53 percent), a community within walking distance (58 percent) and placed more value on a home office (41 percent) and shopping locally (32 percent).⁴⁶ Community foundations offer a means to capture that renewed localism and direct it towards community building and local giving.

Figure 7: Proportion of Australians who value the following aspects of local life more than they did pre-pandemic



In addition, governments are increasingly recognising the importance of place-based responses in generating positive outcomes for communities. Community foundations offer an

⁴⁵ Polling commissioned by PA was conducted by Redbridge in November 2022, and involved surveys of 2605 people over 18 years old. Participants were asked whether they agreed or disagreed with the statement: "I would like the option to donate and/or get involved with a community foundation, which supports people in need and other important causes in my community". It was explained to participants that 'Community foundations are charitable funds established and managed by local people to meet the needs of local communities. They bring together donors from all walks of life to support local priority needs, involving people in the development of their community.'

⁴⁶ McCrindle (2021), *Australians Returning To A Local Lifestyle – And What It Means For Business*, published October 2021

opportunity to leverage governments' existing investments in place, providing those communities and initiatives with access to a sustainable and locally owned funding model.

Increasing Commonwealth government investment in place-based initiatives

Governments are increasingly recognising the importance of place-based approaches to address complex social problems – through investing in these initiatives across the country.

There are at least six Commonwealth place-based initiatives operating in over 130 locations, including Stronger Communities for Children, Empowered Communities, Connected Beginnings, Regional Deals, Stronger Places, Stronger People, and Communities for Children Facilitating Partners.⁴⁷ These initiatives are designed and delivered to support a specific geographical location and population group.

The importance of place-based work has also been reflected in the recent Commonwealth budget. With strong support from the Treasurer, the Commonwealth will develop a whole-of-government Framework to Address Community Disadvantage that will identify strategic objectives and key principles to guide how the Commonwealth will work in partnership with communities to enable them to build their capability to address cycles of disadvantage. The Commonwealth also announced its amplified commitment to the Investment Dialogue for Australia's Children, involving stronger collaboration between philanthropy and government in place-based solutions that support children to get the best start in life.⁴⁸ Further, the Budget provided \$64 million over six years to extend the Stronger Places, Stronger People program, which delivers place-based initiatives in partnership with ten local communities and state and territory governments to improve outcomes for disadvantaged children and their families, and enhance place-based initiatives in six of these communities. The Commonwealth too, is supporting the design and establishment of a National Centre for Place-Based Collaboration (Nexus Centre), to amplify the benefits of place-based and community-led solutions.⁴⁹

The network of community foundations, particularly as it approaches full national coverage, is powerful national architecture through which government and community foundations can collaborate to address local problems, such as working to address place-based disadvantage. This has become common practice in nations such as Canada, where government works closely with the sector peak organisation, to strengthen local communities, mobilising public and private resources across the strong national network.

- 3. Rising incidence of natural disasters:** Recent disasters have made real what has been known for a long time – that climate change will lead to increased occurrence and severity of natural disasters. The 2020 Royal Commission into National Natural Disaster Arrangements report stated that 'Australia's disaster outlook is alarming', with climate change exacerbating bushfires, extreme rainfall and flooding.⁵⁰ The report cited analysis by Deloitte Access Economics, updated in 2021, which concluded that even under a low emissions scenario, the cost of natural disasters in Australia is estimated to increase to \$73 billion per year by 2060. The role community foundations have played supporting response and recovery through recent disasters, highlights their pivotal role as a partner to government in its response, helping to efficiently get resources to where they are needed most, whilst also bringing philanthropic dollars to the table. Community foundations are also increasingly playing a role in disaster preparedness. However, as only 60 percent of Australians have access to a community foundation, there is real opportunity to improve access to responses, and Australia's disaster preparedness with it.

⁴⁷ Department of Social Services (2022), [Nexus Centre Discussion Paper](#)

⁴⁸ See <https://www.philanthropy.org.au/news-and-stories/federal-budget-wrap-up/>

⁴⁹ Department of Social Services (2023), Media release: [National Centre to explore innovative community-led solutions to address disadvantage](#), December 2022.

⁵⁰ Royal Commission into National Natural Disaster Arrangements (2020), [Report](#), p. 68.

4.3 Lessons from growing community foundations in Australia and overseas

Growth initiatives, together with targeted capacity building support, have played a key role in supporting the growth of community foundations. There are important lessons from the efforts of some jurisdictions in Australia and overseas which are profiled in this section.

Case study: Victorian government support for community foundations, and the matched funding challenge

Victoria has the oldest community foundation in Australia, and the largest number of community foundations, with seventeen operating today. This is in part due to some coincidences of history, and the concerted effort of the foundations' staff and volunteers, but has also been assisted by several instances of state government support. This took the form of funding for several community foundations following two bushfire seasons, and a state-wide matched funding scheme.

The bushfire supports were as follows

- **The 2009 Victorian Bushfire Appeal Fund:** In the wake of the Black Saturday bushfires in 2009, the Victorian Government provided ~\$4 million to help establish four community foundations to support community recovery, two of which operate today.⁵¹
- **The 2019-20 Victorian Bushfire Appeal Fund:** Following the most recent bushfires, the Victorian Government allocated \$11.8 million to longer-term community recovery through community foundations – through two existing community foundations and one foundation established for the purpose of distributing the funds.⁵²

The matched funding challenge warrants a closer look. Known as the **2009-2011 Strengthening Community Organisations Action Plan**, it had the following components.

- **Impetus:** Following a report into strengthening the community sector, the government committed \$5.3 million to fund community foundations. Funding was intended to boost the prosperity of communities and increase business involvement in community life - community foundations were a means to do so.
- **Details:** Twelve community foundations were provided with \$300,000 each, provided they had good indicators of success, and were in communities where government had previously invested. Foundations received an initial \$100,000 grant. If they could match this from donations within 12 months (1:1 matched ratio), they received another \$200,000. The funding was for building their corpus (not grants). The matched funding was complemented by provision of capability building resources and governance training for foundations.
- **Impact:** An evaluation by ACF found the initiative had been successful at building the fundraising capability of the organisations, building the corpus of foundations, and raising awareness of the foundations. A lesson was that organisations struggled to have the operational resourcing to capitalise on the growth in the year or so afterwards – suggesting benefit in operational funding beyond 1 year.⁵³

⁵¹ Those foundations were the (1) Into Our Hands Community Foundation, (2) Marysville and Triangle Community Foundation (now Foundation Murrindindi), (3) Kinglake Ranges Foundation (now wound up), (4) Mitchell Community Resources and Advocacy Group (now wound up). Funding was also provided for a trust, the Strathewen Bushfire Relief Company (still operating). See the [VABF Progress Report](#) for detail. Note that FRRR provided various capacity building support for the new community foundations at the time and is currently distributing remaining funding for Kinglake Ranges Foundation.

⁵² Those foundations were (1) the East Gippsland Community Foundation - established with \$8.8 million in funding (and an additional \$125,000 from The Community Enterprise Foundation), (2) Border Trust, with \$2.9M funding (and an additional \$50,000 via FRRR), and (3) Into Our Hands Community Foundation (with \$50,000 via FRRR). The Community Enterprise Foundation's Alpine Community Bushfire Disaster Relief Fund also received \$1.5M (though is not a community foundation). See the [VABF Final Report](#) for detail.

⁵³ ACF (2011) Evaluation of the Community Foundations Initiative for the Office for Community Sector. Report not available online – but can be provided by CFA on request.

Case study: Successive growth initiatives in the United Kingdom

The community foundation sector in the UK is well established, with 47 foundations providing access to 100 percent of the population.⁵⁴ Their success has been enabled by successive growth initiatives, led both by philanthropy and by government. Here we profile the more recent initiatives.

- **The Esmée Fairbairn Time for Growth challenge (2000-2004):** The challenge was designed and implemented by the Community Foundation Network of the UK, and funded by the Esmée Fairbairn Foundation. It split £1 million across 10 community foundations. It aimed to achieve a total of £20 million in new endowment investments between 2001 and 2005. A total of £19.5 million of new endowment investments was secured. An evaluation found it demonstrated an excellent return on investment, and had a long-term sustainable impact on the funders. The cultural change experienced by foundations meant that they were more coordinated in their fund development efforts.⁵⁵
- **UK Government Grassroots Grants and Endowment program (2008-2011):** Modelled off the Time for Growth initiative, this government program aimed to support the voluntary sector build stronger, more active communities. It allocated £80M for grants (45 community foundations helped deploy), and £50M for 1:1 matched endowments to build the sustainability of community foundations. Each foundation was provided with individual fundraising targets, spread over three years. An evaluation found the longer-term nature of the program to have been constructive for building donor relationships, and that the program had a lasting impact on the foundations' sustainability and capabilities.⁵⁶

The initiatives have supported the development of community foundations that the UK Government today leverages to reach communities. For example, the foundations assisted distribution of a £85 million matched fund challenge deployed in response to COVID-19, to support charities.⁵⁷

Case study: Lessons from infrastructure building organisations overseas

Globally, infrastructure building organisations have played key roles supporting the strengthening and growth of community foundation networks. Here we profile some of those organisations.

- **Role of peak bodies:** Each of the peer nations profiled in this report have a well-funded community foundation peak body (Canada, UK, Germany, NZ) that play similar roles undertaking networking, capability building and advocacy.⁵⁸ Unlike Australia, many can redistribute funding through their network, which is prohibited in Australia through CFA's current DGR status. For example, the UK community foundation peak body distributed £81.7 million in grants through its network in 2021 on behalf of another grant-making charity, The National Emergencies Trust, to assist with the COVID-19 response. The Canadian peak distributed \$32 million (Canadian) in grants that same year.
- **Philanthropic organisations, including The Mott Foundation:** Various philanthropic foundations have played a key role supporting growth globally, including the Ford Foundation, W.K. Kellogg Foundation, the Rockefeller Foundation, and the Charities Aid Foundation. The Mott Foundation, however, was the earliest international foundation to recognise the potential of the community foundation model in the 1970s. It has since funded challenge grants and other development programs globally, including a 1991 matched funding challenge program in the United Kingdom, and various peak bodies and growth initiatives (inc. Germany, Romania, Mexico, and the European

⁵⁴ European Community Foundation Initiative (2017), [A Guide to Community Foundations in the United Kingdom](#)

⁵⁵ Findings from the Esmée Fairbairn Foundation (2005) [Time for Growth: Findings on an endowment challenge programme for ten UK community foundations 2001–2005](#), as quoted in the Grassroots Grants evaluation (cited below)

⁵⁶ Pearmain, Daniel et al (2011) [Grassroots Grants: Final Evaluation Report](#)

⁵⁷ Gov.uk (2022), [Financial support for voluntary, community and social enterprise organisations to respond to COVID-19](#)

⁵⁸ Community Foundations of Canada had \$2.9M expenditure in 2021 (\$1.6M operational, \$1.3M direct spending to support network), and distributed an additional \$31M in grants, see their [Annual Report](#). The UK community foundation peak had unrestricted funding of £1.3M that same year, with significant other funds distributed through grants to its network. See their [Annual Report](#). Community Foundations NZ had \$270K in expenditure in 2021, see their [Annual Report](#).

Community Foundation Initiative).⁵⁹ These organisations speak to the important role philanthropic funders can play alongside other actors, in strengthening the sector.

- **The Global Fund for Community Foundations (GFCF):** GFCF is the only organisation working globally to build community philanthropy as an essential element of people-led development. Based in South Africa, the Fund is primarily focused on supporting the movement's growth in the global south. It sees community philanthropy as an essential part of broader efforts to move away from top-down systems of international development and philanthropy, towards a flatter and more equitable paradigm of people-based development, that leverages local assets.⁶⁰

The organisations highlight the complementary roles that infrastructure building organisations play, and highlight the potential that rests in Australia with stronger community foundation infrastructure.

⁵⁹ Sacks, E. (2000), [The Growth of Community Foundations Around the World](#).

⁶⁰ See The Global Fund for Community Foundations [website](#).

5 Recommendations

5.1 Overview

To capture the significant opportunity presented by community foundations to accelerate philanthropic giving across Australia, we have five recommendations to the Productivity Commission and Commonwealth, requiring a modest investment of \$61 million.

OUR ASPIRATION

Double giving by 2030

by accelerating the growth of community foundations for a fairer and more inclusive Australia

FIVE RECOMMENDATIONS



Catalyse new community foundations

Expand national coverage to ensure the majority of Australians can access the benefits foundations generate and can give locally, by providing:

1. Streamlined access to DGR1 for newly emerging community foundations
2. Time-limited matched funding to create twenty new community foundations



Build the sustainability and impact of all community foundations

Boost the scale of all community foundations, to support the double giving aspiration, and ensure the foundations can be enduring assets to Australia's communities, by providing:

3. Time-limited matched funding to strengthen the existing network
4. Time-limited operational financial support
5. A stronger peak - Community Foundations Australia - to support the growth of the network

Research also identifies other high potential ideas to strengthen community foundations - for further exploration

- Establish a mechanism for community foundations to access unclaimed charitable money
- Consider community foundations as vehicles to manage income streams for community benefit, particularly from large infrastructure projects
- Allocate a share of windfall gains from public prosecutions to community foundations

5.2 Catalyse new community foundations

There is an important opportunity to catalyse new community foundations in Australia to accelerate philanthropic giving and support better outcomes for communities across Australia. This will ensure more Australians can access the benefits foundations generate and will grow local giving.

Recommendation 1.

Streamlined access to DGR 1 status for newly emerging community foundations

- The Albanese Government is implementing a reform that will provide a mechanism for 28 community foundations across Australia to access DGR 1 status, in recognition of the charitable work community foundations undertake. The reform was first announced in the March 2022 Budget by the previous Coalition Government.⁶¹ But not all foundations will benefit, and there will soon be new community foundations established.
- With the important work of community foundations now acknowledged, it no longer makes sense to require new community foundations to undertake the arduous, costly and uncertain process of seeking access to DGR 1 status. Rather, the Government should establish a streamlined mechanism to enable the orderly growth of community foundations.
- Applications could be administered by the ATO, with safeguards including: a clear definition of community foundations; requiring all funds to be spent on charitable activities and associated operational costs; and ATO powers to require sound conduct. Further safeguards could be explored in collaboration with CFA. A well-funded peak body, CFA, will provide additional assurances, working closely with the sector to build their capability and ensure compliance.
- Just recently, on 28 June 2023, Treasury released *Building Community – Deductible Gift Recipient Status for Community Foundations* – which informs a consultation process on the Treasury Laws Amendment (Measures for Consultation) Bill 2023.⁶² Guidelines for community foundations will also be released for consultation in the near term. These processes should allow for development of reforms which give effect to the Government's decision to grant DGR 1 status to 28 community foundations, and also provide a streamlined framework for future community foundations to seek access to DGR 1 status.

Rationale

Reforms being enacted to provide 28 community foundations with access to DGR 1 status have two important benefits that should be extended to all community foundations. The reforms enable community foundations to:

- Have greater impact by funding local charitable activity.** Community foundations generally operate using a 'Public Ancillary Fund' structure, which is classified as an 'Item 2' DGR. As a result, community foundations – the majority of which operate in regional areas – have only been able fund 'Item 1' DGR charities. There are relatively few charities with this status in regional areas, which means foundations find it difficult to fund many grassroots

⁶¹ Treasury (2022), Media Release: [Morrison government backs community foundations with DGR status reforms](#). April 2022

⁶² Treasury (2023), *Building Community – Deductible gift recipient status for community foundations*

community groups and initiatives.⁶³ Once the reform is enacted, community foundations will be able to fund any charitable activities carried out by local non-profits, provided those activities are covered by one of the 52 existing DGR endorsement categories and are consistent with the foundations' own purposes and rules.

- ii. **Accept funds from Private Ancillary Funds (PAFs).** This will create a powerful new revenue source for community foundations, as PAFs are distributing in excess of \$500 million a year, which is expected to grow strongly in the future. It can also improve the quality of giving – PAFs are typically funds set up by wealthy families. Many are keen to invest in community foundations, recognising that their knowledge of local communities can lead to more targeted, higher impact giving.

With the important work of community foundations widely recognised, it no longer makes sense to place regulatory impediments in the way of growing the impact of community foundations. We need to facilitate the steady growth of the sector, so more Australians have access.

Implementation considerations

We recommend that relevant government agencies work closely with the peak body, CFA, to finalise and agree the implementation details of the initiative, within the context of a number of other changes to the DGR regime that are currently being considered.

⁶³ Only fifteen percent of charities operating in rural Australia have DGR1 endorsement. See FRRR (2021), [Heartbeat of Rural Australia](#) p. 13

Recommendation 2.

Time-limited matched funding to create twenty new community foundations

- Matched funding grants have proven successful in establishing and supporting community foundations in Australia and globally. A Victorian Government program in 2009 supported the development of a dozen community foundations. A similar funding program could catalyse the growth of the community foundation network across the country, aiming to push towards national coverage. Time-limited challenge grants could help attract involvement across the community and quickly build a strong, sustainable asset base.
- We recommend the Government invest up to \$15 million over up to eight years, 2024-25 to 2031-32, to catalyse the establishment of twenty new community foundations through an expression of interest (EOI) process. Criteria for selection would include:
 - **Demonstrating sustainability beyond the period of government support.** As indicated by local leadership, stakeholder support and passionate stewardship.
 - **Addressing unmet community need and disadvantage.** Supporting under-served areas, areas of socio-economic disadvantage or other challenges such as natural disaster risk.
 - **Leveraging existing government investment.** Complementing other government investments in place, such as those addressing place-based disadvantage in communities like Logan in Queensland and Burnie in Tasmania.
- An initial EOI process would be run in 2024-25 for the first ten new community foundations, with successful applicants granted \$350,000 from government to seed operations. To catalyse community involvement, donations and longer-term sustainability, government would provide a further \$400,000 where communities matched the initial \$350,000 provided by government within four years (2025-26 to 2028-29). Consideration should be given to the fundraising capacity of foundations being established in areas of socio-economic disadvantage. For these regions, different matched ratios or timeframes could apply.
- With learning incorporated from the initial years of the first round, a second round would be run in 2027-28 on the same basis with the four-year matching period to 2031-32.
- The program would significantly expand network coverage across Australia, enabling millions of additional Australians to access the benefits foundations generate and get involved in giving locally. It would ensure each new foundation had raised a minimum of \$1.1 million, setting them up strongly on the path to long-term sustainability.

Rationale

There is substantial opportunity to catalyse new community foundations in Australia to accelerate philanthropic giving, and support better outcomes for communities. Just sixty percent of Australians have access to a local community foundation today, but that reach could be nationwide, as it is in the UK and Canada.

Community foundations have been demonstrated to be vital community assets. They build permanent financial assets committed to strengthening communities and are catalysts for place-based change, from rural areas to regional towns and major cities.

They played a critical role in disaster recovery through recent bushfires, floods and COVID-19, directing funding support to where it was most needed. They are also well placed to capture a share of the intergenerational wealth transfer– which will see \$1.3 trillion transfer over the ten years to 2035. About a third of that wealth will transfer outside of our cities – \$438 billion.

Matched funding ‘challenge grants’ have been instrumental to the growth of community foundations globally. A state-based scheme in the USA catalysed 50 successful new foundations, and successive national schemes in the UK have built a sustainable network of community foundations.⁶⁴ A Victorian Government program in 2009 supported a dozen community foundations and had design principles that could be adapted for a national approach.⁶⁵

Challenge grants incentivise community foundations to match the grant from community giving and galvanise the community and its leadership to drive community-led change. They have been found to rapidly build sustainable assets for foundations, establish committed donor bases, build the fundraising capability of the foundations, and raise community awareness of the foundations themselves.

Implementation considerations

To build the sustainability of the foundations, a large portion of the total funds raised (e.g. 50%+) should go towards building the foundation’s corpus. However, donors to new foundations (as for very large foundations) may want to see evidence of immediate community impact, so it will be important to allow flexibility for some funds to be distributed immediately through grants.

Those looking to establish a community foundation could be invited to apply for a competitive Expression of Interest process. Placement of new foundations could give consideration to community need, readiness, geographic placement across states, and other sustainability factors. Community ownership and leadership is a critical ingredient for sustainability, so it is important the initiatives be community-led and initiated (see eligibility considerations in box below). Consideration should also be given to the fundraising capacity of foundations being established in areas of socio-economic disadvantage. For these regions, different matched ratios or fundraising timeframes could apply, and assessments of sustainability should take the challenges faced by such communities into account.

Note that CFA is currently in conversation with about ten communities across Australia interested in starting a community foundation – so are confident of community appetite and demand. The initiative could also look to support existing place-based or community funds that are currently sub-funds, should they wish to become independent, and meet the eligibility criteria.

Government should engage with CFA to co-design the final parameters of the initiative, incorporating lessons learned from the Victorian challenge and other global matched challenges.

Cost of the initiative

Funding for twenty community foundations would total \$15 million over eight years from 2024-25 to 2031-32, with \$7.5 million allocated for each of the two tranches of ten community foundations.

⁶⁴ See Section 4.3 for detail of UK initiatives. The [Michigan Community Foundations’ Youth Project](#) (MCFYP) catalysed dozens of new foundations. Today there are 86 in Michigan, up from 33 when the initiative launched.

⁶⁵ See Section 4.3 for detail of the Victorian Government’s, 2009-11 program, ‘Strengthening Our Communities’.

Eligibility considerations for new community foundations

Every community should have access to a community foundation. However, consultation and research into global best practice have surfaced several considerations that could inform the eligibility and prioritisation of new foundations through a competitive EOI process, with design to be finalised by government in partnership with CFA.

- **Community leadership and trust:** A strong, energised local leadership and volunteer base, with the skills required for the job and the trust of the community are the most critical ingredients to enduring success and sustainability.
- **Un-met community need:** Need may be more pronounced in areas of localised socio-economic disadvantage, and/or prone to natural disasters, that are not served by an existing local community foundation. There are also un-met cohort and issue-based needs that cross geographical boundaries. For instance, we do not yet have a national First Nations community foundation.⁶⁶ Further, as the Commonwealth develops its whole-of-government Framework to Address Community Disadvantage, announced in the recent Budget, consideration should be given to how community foundations can galvanise local community leadership and amplify government and other investments through community development, donations and volunteering.
- **Demographic:** Research has identified factors present in areas that have financially sustainable foundations – stable populations, reasonable population density, well-educated populations, and older potential donors.⁶⁷ These don't always overlap with areas of high need. In these instances, community foundations can be encouraged to service wider geographic areas, be nested within another community foundation as a sub-fund, or it may warrant some additional external support from government or others.⁶⁸
- **Leveraging existing government investments in place:** Opportunity exists to build on government investment in communities with existing community building and revitalising projects or place-based initiatives. The Commonwealth supports such initiatives in about 130 locations nationwide, including through the *Stronger Places, Stronger People* program, which focuses on ten regions across the country, from Logan in Queensland through to Ceduna in the west of South Australia.

⁶⁶ Australia has a First Nations sub-fund. The [Koondee Woonga-gat Toor-rong Fund](#), which operates as a sub-fund of ACF, servicing the First Nations community in Victoria. In an interview with a First Nations philanthropic leader, it was noted that there is an opportunity for a nationally focused fund, and such funds exist overseas,

⁶⁷ Catherine Brown & Associates (2005), *Community foundation success factors* (not online, but available upon request). This analysis was updated through the research for this submission and could be provided by CFA to assist the final design of an initiative.

⁶⁸ In Australia, there are a couple of instances of community foundations not yet at scale, that have chosen to be a sub-fund within Australian Communities Foundation. This is mirrored overseas.

5.3 Build the sustainability and impact of all community foundations

There is an opportunity to strengthen Australia's existing network of community foundations – by investing to build their sustainability and impact. This will support the double giving aspiration, but more importantly, ensure the foundations can be enduring assets to Australia's communities.

Recommendation 3.

Time-limited matched funding to strengthen the existing community foundation network

- Matched funding grants have proven successful in supporting the sustainability and impact of community foundations in Australia and globally. We recommend the Government allocate \$28.5 million over six years, 2024-25 to 2029-30, to build the sustainability and impact of Australia's existing thirty-eight community foundations.
- Each community foundation would receive \$350,000 upfront, while a further \$400,000 would flow to those able to fundraise to match government funding within the specified timeframe. Matching requirements would vary according to the size of each community foundation (and therefore its ability to raise funds).
 - For example, Australia's 19 small community foundations (with \$100,000-\$2 million in funds under management) could match government funding 1:1, while larger organisations might need to raise higher ratios. The timeframe to raise matched funds could also be varied according to ability to fundraise.
- The initiative would be complemented by a national awareness raising campaign for community foundations, to be implemented by a well-funded peak body (Recommendation 5).

Rationale

Australia is fortunate to have a network of close to 40 community foundations that have been demonstrated to be vital community assets. However, many of Australia's community foundations are not at a scale considered to be sustainable. Just eight community foundations have over \$5 million in funds under management. We have a great network in place, but too much of it is below the scale needed to drive sustainable, long-term impact.

Supporting all community foundations to achieve a minimum size for sustainability and impact – around \$5 million in funds under management – unlocks key benefits:

- **Paid staff:** Among the 27 community foundations with less than \$5 million in funds under management, a quarter have no paid staff and most of the remaining group have one staff member, usually at less than 1 FTE. While volunteers are the backbone of the sector, having a paid staff member makes a big difference in a foundation's ability to galvanise the local community, grow giving and drive community impact.
- **Impact:** At \$5 million, annual disbursements of up to \$400,000 become feasible (while continuing to maintain the corpus), creating scope for significant, lasting impact in the

community.⁶⁹ At this size, the community can be substantially galvanised, with initiatives in a suite of areas driving significant impact for the local community.

- **Longer-term growth:** This catalytic and finite government investment would shift the dial for smaller community foundations – tipping many to a point of sustainability, and catalysing others to being within reach. At that point, all community foundations would be equipped to generate much larger philanthropic donations and greater impact in the decades ahead, just as the Commonwealth's \$10 million investment to establish FRRR in 2000 catalysed more than \$155 million in direct philanthropic support since then.

Matched funding 'challenge grants' have been instrumental to the growth of community foundations globally – spurring growth in the UK, Canada, the USA, and closer to home in the state of Victoria.⁷⁰ A national matched funding challenge would rapidly build sustainable assets for foundations, establish committed donor bases, and build the fundraising capability of the foundations. But notably, it would also build the profile of all community foundations. This is important, because community foundations across Australia aren't as well-known a form of giving as they are in peer countries overseas (like the UK, Canada, New Zealand and the USA). That's despite sixty percent of Australian's saying they would love the opportunity to give to a community foundation.⁷¹

For larger foundations, the additional support would not only leverage the impact of their donations and impactful investment of their corpus⁷², but would be an investment in the infrastructure of the sector. Larger organisations play a role providing back-office support to smaller foundations and invest in technology and capabilities that benefit the sector as a whole.

Implementation considerations

As with Recommendation 2, for small and medium community foundations, a large portion of the total funds raised (e.g. 50%+) should go towards building the foundation's corpus, but allowing flexibility for a portion of funds to be distributed immediately through grants.

The initiative would be complemented by a national awareness raising campaign for community foundations. The participation of all community foundations would be important - so that wherever you live, you have the opportunity to donate to your community foundation through the challenge and are incentivised to do so.

Government should engage with CFA to co-design the final parameters of the initiative – particularly ensuring that smaller community foundations are provided the support needed to apply for the grant. After a design period, the initiative could launch in 2024-25, with initial funds allocated in that year, and matched funding rolled out as community foundations achieve the required matching levels over the five years to 2029-30.

⁶⁹ The network's total grants in 2020-21 were 7.5 percent of the network's total funds under management. Applying that average to a \$5 million corpus achieves ~\$400,000 annual disbursements.

⁷⁰ See Section 4.3 for detail of UK initiatives and of the Victorian Government's 2009-11 program, 'Strengthening Our Communities'.

⁷¹ According to market research outlined in Section 4.2 of this submission. An additional thirty percent were unsure – highlighting the opportunity to build public awareness.

⁷² Larger foundations are at a scale that their corporates are invested using an ethical screen. See impact investing details for [ACF](#) here and [LMCF](#) in their [submission to the Inquiry](#).

Cost of the initiative

Funding for 38 community foundations would be a total of \$28.5 million over five years from 2024-25 to 2029-30.

Depending on the matched funding amounts selected, the initiative could generate a total of \$50 million in funds raised for existing foundations (from a combination of government and philanthropic contributions).

Recommendation 4.

Time-limited operational financial support

- To complement the matched funding initiative, we recommend the Government allocate \$14.5 million over eight years, from 2024-25 to 2031-32, to provide all community foundations with the operational funding needed to galvanise the community, develop strong community programs and initiatives, and be set up for long term sustainability and impact.
- Each community foundation would receive \$250,000 to be spent over a three-year period. The funding would be available for the existing 38 community foundations and the additional 20 new community foundations.
- This untied funding will provide community foundations the resources required to make the most of the matched funding opportunity. For many community foundations, this would contribute to the salary costs of their first full-time staff member who can galvanise the community, raise funds towards the matched grant, and support community development. For others, it would support investments in the staff capability, technology and assets required to support lasting community impact.

Rationale

The package of recommendations outlined in this report presents a significant opportunity to catalyse and strengthen the community foundation network and create lasting impact in communities.

However, community foundations need operational support to realise that opportunity. A one-off investment in community foundations' operations would provide that support.

Many existing community foundations have no or few paid staff, and for all community foundations, the matched funding initiative will require focused effort to realise the benefit. Community foundations will need to engage their community to raise their profile, undertake active fundraising, and support an increased volume of community development activities. Community foundations are unique among philanthropic organisations in that they undertake these multiple roles – each requiring time and investment.

Evaluations of matched funding initiatives globally, including the Victorian initiative, highlight the need. They identified that operational capacity is critical for seizing and sustaining the benefits of such initiatives. This is consistent with research about funding for not-for-profits in general, which has shown that spending insufficient resources on indirect costs reduces overall not-for-profit effectiveness. In the Australian context, research from Social Ventures Australia, the Centre for Social Impact (CSI) and Philanthropy Australia on 'Paying What It Takes' has shown that not-for-profits in

Australia are generally not funded for the actual cost of what they do.⁷³ If government are to support the matched funding initiative, requiring increased activity from community foundations, they need to be funded to undertake that activity.

This operational support would ensure all community foundations have opportunity to build lasting community assets that generate real benefit.

Implementation considerations

Operational funding would be provided - \$250,000 over three years (~\$83,000 per year), for each community foundation. This should be timed to align with their matched funding challenge.

Cost of the initiative

Funding for the initiative would be a total of \$14.5 million over eight years, from 2024-25 to 2031-32. This includes \$9.5 million for existing community foundations, and \$5 million for 20 new community foundations.

Recommendation 5.

A stronger peak – CFA – to catalyse the growth of the sector

- CFA was established in 2007 as the peak body for the community foundation sector, fulfilling key roles as a connector, skills developer, sector champion and advocate. While CFA has achieved a great deal, their resources have been constrained (with an average of ~2 FTE the last 2 years). We recommend the Government allocate \$3 million over six years to enhance the capacity of the sector peak body to accelerate the growth of community foundations in the coming decades, and to enable it to support implementation of the outlined recommendations.
- Further, the Albanese Government is implementing a reform that will enable 28 community foundations across Australia to access DGR 1 status, in recognition of the charitable work community foundations undertake. However, CFA was not included in the reform. We recommend that CFA be granted DGR 1 status, so that it too can access donations and grants to support its own work and to fulfil other roles in support of the sector that are common of community foundation peaks overseas, as well as the peak body for philanthropy nationally, Philanthropy Australia.

Rationale

CFA was established in 2007 under the name Australian Community Philanthropy (ACP) as a dedicated peak body for community foundations, which were growing steadily in number at that time. While the peak has achieved a great deal, its resources have been constrained.

Initially, the organisation looked and worked much like the members it was aiming to support – it had limited funding and relied entirely on volunteers. With philanthropic support, the first part-time

⁷³ SVA and CSI (2022), [Paying what it takes: funding indirect costs to create long-term impact](#). See also, SVA's [submission the Productivity Commission Inquiry](#)

executive officer was engaged in 2015. The organisation has grown modestly since 2019, with a coalition of eight philanthropic funders contributing a total of \$1.5 million in multi-year funding from 2019-20 to 2023-24. CFA's resourcing grew to ~\$260,000 p.a. from 2018-19 to 2020-21, enabling it to establish a small team, develop more and better member services, strengthen its digital infrastructure and communications, and rebrand the organisation as Community Foundations Australia (CFA). Resourcing will reach \$500,000 p.a. in 2023-24, with thanks to another multi-year philanthropic funder. But CFA's scale pales in comparison to resourcing for community foundation peaks in other countries, and demand for support for CFA's services is more than CFA can meet with current resourcing.

Modest government funding could lift the capacity of CFA to accelerate the growth of community foundations in the coming decades and support the sector to realise the opportunity to double giving by 2030. CFA will be a critical partner to government in enabling the sector to implement the recommendations in this submission. It would work hand in hand with government to finalise initiative design, coordinate an awareness raising campaign, and build sector readiness for the matched funding challenge. It would also play a critical role in supporting the establishment of new community foundations, providing resources and capability building. This work needs to be properly resourced at the peak body, to ensure its success.

A well-funded peak would support a much-needed national awareness raising campaign for community foundations, to complement the matched funding initiative. CFA would coordinate a national media campaign, targeting multiple channels such as radio, television, print and social media. This would be complemented by marketing collateral that CFA would develop to be used by the community foundation network to raise their profile in the community.

Funding for the peak would also enable it to support the sector to capture a share of the inter-generational wealth transfer – which will see \$1.3 trillion transfer over the ten years to 2035. CFA would support community foundations to run bequest campaigns, providing collateral that local community foundations could adapt and use locally. This approach has proven highly successful in New Zealand where the peak body Community Foundations of NZ coordinates and champions ongoing bequest campaigning. It has led to total funds under management in New Zealand growing steadily to a rate of 20-33 percent per year, driven by bequests.

A well-funded CFA will work closely with the sector to build capability as community foundations take on more assets and increased profile. This would ensure the sector's commitment to good governance, process and compliance is maintained at this bigger scale, and mitigate any risk attached with rapid growth of smaller foundations.

Further, CFA should be granted DGR 1 status to enhance its impact and sustainability. This would support CFA's impact by enabling it to accept funds from Private Ancillary Funds (PAFs) and have more freedom in redirecting those funds to listed charities. In so doing, it would put CFA on an even footing with other community foundation peak bodies overseas – who pass through funding to other community foundations in the sector – and make it a stronger partner to other philanthropic foundations in the process. Additionally, it would provide CFA with a pathway to sustainable funding after a period of investment from government, by providing access to donations from PAFs, corporate entities, individuals and other trusts and foundations - consistent with the DGR1 status afforded to Philanthropy Australia.

Implementation considerations

Funding for CFA could be provided at \$500,000 per year, from 2024-25 through 2029-30. This would enable CFA to bring on the staff required to partner with government in supporting the implementation of the recommendations and deliver a sector-led growth initiative to increase bequests. Note that

additional project-based funding for the national awareness raising campaign would need to be considered. These have not been costed for the moment, as there is opportunity for such a campaign to complement a potential National Giving Campaign being advocated for by many organisations in the context of the Government's double giving commitment.

Cost of the initiative

Funding for the initiative would be a total of \$3 million over six years, from 2024-25 to 2029-30, with additional project-based costs to be considered.

5.4 High potential ideas for further development

Research and consultation undertaken for the submission also identified other high potential ideas to strengthen community foundations. These ideas are not at the same level of readiness – so we recommend these be further explored by the Productivity Commission and Commonwealth.

1. Establish a mechanism for community foundations to access unclaimed charitable money

Australia has \$1.5 billion in lost funds from bank accounts, shares, investments and insurance.⁷⁴ Unclaimed charitable money is a portion of those funds, and is money received by a charity for a charitable purpose where the organisation has since been wound up and funds have not been appropriately distributed, leaving them sitting in an unclaimed account.

After seven years of no activity (i.e. no withdrawals or deposit), bank accounts with more than \$500 balance become 'unclaimed money', and must be transferred by the bank to the Commonwealth's consolidated revenue fund where it is held indefinitely or until claimed.⁷⁵ ASIC is the steward of funds, and relies on Banks to confirm ownership of funds. The process for claiming monies is different for each institution – and so is difficult to access.

Individually, inactive bank accounts contain relatively small amounts. Collectively, they are a significant resource. Research by the Inner North Community Foundation estimated the size of charitable funds sitting in bank accounts in Melbourne relating to inactive community groups to be ten percent of total unclaimed bank funds.⁷⁶ Bank funds comprised 54 percent of all unclaimed funds in Melbourne. Extending those assumptions to the national scale, there could be ~\$80 million in unclaimed charitable money intended for community benefit.

Government, together with the banking industry, could develop a process that allows money to be released to like-minded charitable groups ('responsible entities' as defined in the ACNC Act). Those funds that are deemed for community benefit, could be redirected to a community foundation. Other countries have used similar mechanisms to fund community activity (e.g. Big Society Capital in the UK, and the British Columbia Unclaimed Property Search in Canada which allocates a share to the Vancouver Foundation each year).⁷⁷ Community foundations are an independent way to honour donor intentions and ensure a legacy for funds raised.

2. Consider community foundations as vehicles to manage income streams for community benefit, particularly from large infrastructure projects

Community foundations are a trusted means of managing a financial asset for the enduring benefit of the community. When private enterprise or government is considering major developments in a community, they often look to recognise the impact that development could have on the community, by compensating the community. Community foundations should be considered as a means of managing that financial compensation – and enabling long-term social benefits for the community.

There are already examples of this underway across Australia. For instance, the Percent for Art Scheme is a government program that requires that 1 percent of the total construction cost of any new public building or major renovation project in Western Australia be set aside for the

⁷⁴ See ASIC website, [Unclaimed money](#)

⁷⁵ According to section 69 of The Banking Act 1959 (Cth); and section 1341 of the Corporations Act 2001 (Cth).

⁷⁶ Inner North Community Foundation, Unclaimed moneys briefing paper. Available upon request.

⁷⁷ See Big Society Capital, [Our History](#), and BC Unclaimed, [Vancouver Foundation](#)

commissioning of public artwork.⁷⁸ The scheme applies to a wide range of buildings, including schools, hospitals, police stations, and other public facilities. Something similar could be done for community foundations, when major infrastructure projects are being considered in a region.

We note FRRR also highlights this opportunity in its [submission to the Inquiry](#).

3. Allocate a share of windfall gains from public prosecutions to community foundations

Community foundations are independent organisations trusted to act in the community's interest. When state and Commonwealth governments receive windfall gains from criminal prosecutions, they should consider community foundations as one option for allocating those funds for community benefit. Government could allocate a portion of funds to local or national community foundations, to contribute funds to the community in a manner consistent with remedying the prosecuted activity.

This would be in a similar vein to community foundations receiving a share of poker machine revenue and investing it for community benefit. For example, the Australian Capital Territory Government diverted a portion of compulsory 'community contributions' from clubs to the Hands Across Canberra community foundation.⁷⁹ The fund was created in 2018 with an initial \$5 million investment, and has granted \$1 million to the community since its establishment.⁸⁰

⁷⁸ Western Australian Government, [Percent for Art Scheme](#)

⁷⁹ Canberra Times (2018), [ACT Government wants to divert club contributions into charitable fund](#)

⁸⁰ See Hands Across Canberra, [Chief Ministers Charitable Fund](#)

6 Where to from here?

6.1 Roles for different actors in supporting the growth of community foundations

This submission outlines recommendations for how the Commonwealth Government can support the aspiration to grow community foundations, consistent with its double giving commitment and the scope of the Productivity Commission Inquiry.

But that is not to downplay the important roles that other actors can and should continue to play in supporting community foundations. Here we outline some of those roles alongside the Commonwealth's, with examples of the contributions of each, to share a picture of how the sector envisions working with others towards its growth aspirations too.

| | Type of role | Illustrative example |
|---|--|--|
| Commonwealth Government | <ul style="list-style-type: none"> Enabling a supportive tax and regulatory environment Using community foundations and related bodies for flow through grant distributions Providing targeted, time-limited support to build sector sustainability | <ul style="list-style-type: none"> Commonwealth helped establish FRRR in 2000 with a \$10 million grant. It has since distributed millions in grants through the organisation.⁸¹ |
| State and Local Governments | <ul style="list-style-type: none"> Enabling a supportive regulatory environment Leveraging community foundations and related bodies, through flow through grant distributions and collaboration Providing in-kind access to infrastructure Providing targeted, time-limited support to build sector sustainability | <ul style="list-style-type: none"> The Northern Rivers Community Foundation coordinates flood relief funding in collaboration with seven local shire councils. |
| Private philanthropic foundations | <ul style="list-style-type: none"> Using community foundations and related bodies for flow through grant distributions Providing support to build and maintain sector sustainability and capability | <ul style="list-style-type: none"> The Paul Ramsay Foundation partly funds the peak body CFA, and is distributing \$3 million in grants through ACF. |
| Corporate foundations and business community | <ul style="list-style-type: none"> Using community foundations and related bodies for flow through grant distributions Providing support to build and maintain sector sustainability and capability Using community foundations to host workplace giving initiatives | <ul style="list-style-type: none"> Bendigo Bank, through its Community Enterprise Foundation, provides funding for grants through community foundations, and supported establishment of East Gippsland CF in partnership with VIC Gov't.⁸² |

⁸¹ See FRRR, [The Australian Government's Future Drought Fund](#), and its [submission for more information](#)

⁸² See East Gippsland Community Foundation, [About Us](#)

6.2 Call to action

This submission has outlined the important role community foundations play within the philanthropic ecosystem, and more so, as vital pieces of community infrastructure.

It outlines five recommendations with a total cost of \$61 million.

Community Foundations Australia and Philanthropy Australia believe this modest investment represents significant value for money for the Commonwealth and would accelerate the growth of community foundations towards a fairer and more inclusive Australia, while supporting the Commonwealth's commitment to double giving by 2030.

We would welcome the opportunity to discuss the potential presented in this submission further with the Commissioners and staff of the Inquiry.

7 Appendix

7.1 Stakeholder consultations

Thanks to many people who contributed to the development of the submission through conversations and workshops, including but not limited to the following individuals. Development of the submission was collaborative, but final decision making rested with Community Foundations Australia, with input from a Steering Committee including Philanthropy Australia.

| Name | Title |
|---|--|
| Australian community foundation stakeholders | |
| ~20 community foundations | Workshop with CFA members |
| Dr Catherine Brown OAM | CEO, Lord Mayor's Charitable Foundation (VIC) |
| Frances Easton | Chair, Mackay Community Foundation (QLD) |
| Gail Rodgers | CEO, Geelong Community Foundation (VIC) |
| Maree Sidey | CEO, Australian Communities Foundation (VIC). Deputy Chair, Community Foundations Australia |
| Michelle Dowsett | Executive Officer, East Gippsland Community Foundation (VIC) |
| Mick Pryke | Chair, Mumbulla Community Foundation (NSW). Director, Community Foundations Australia |
| Phil Friedlos | Chair, Bass Coast Community Foundation (VIC) |
| Sam Henderson | CEO, Northern Rivers Community Foundation (NSW) |
| Sophie Doyle | Philanthropy and Engagement Manager, Foundation SA (SA) |
| Tae Wood | Chair, Albany Community Foundation (WA). Director, Community Foundations Australia |
| Other Australian stakeholders | |
| Anna Powell | CEO, Collaboration for Impact |
| Carolyn Atkins | Senior Manager, Place-Based Approaches Inclusive Places, Department of Jobs, Skills, Industry & Regions (VIC) |
| John Harding | First Nations Practice Lead, SVA, CEO of Barmal Bijiril, and former CEO of Koondie Woonga-gat Toor-rong Fund |
| Sarah Matthee and Natalie Egleton | General Manager of Partnerships and Services, and CEO (respectively), Foundation for Rural and Regional Renewal |
| Tara Day-Williams | Director, Stronger Places, Stronger People initiative, Department of Social Services |
| International experts | |
| Andrea Dicks | CEO, Community Foundations of Canada (Canada) |
| Arron Perriam and Eleanor Cater | Executive Director, and Marketing and Membership Services Director (respectively), Community Foundations of New Zealand (NZ) |
| Clare Brooks | Former CEO, UK Community Foundations (UK) |
| Dr Jason Franklin | Philanthropist, activist and researcher (USA) |
| Ian Bird | Chair, Global Fund for Community Foundations (Global) |
| James Magowan | Coordinating Director, The European Community Foundation Initiative (Europe) |
| Nick Deychakiwsky | Program Manager, Mott Foundation (Global) |

The following people made up the working team and Steering Committee responsible for the development of this submission.

| Name | Title |
|----------------------|--|
| Ben Rodgers | Chair, Community Foundations Australia |
| Diane Kargas Bray AM | Founding Chair, Hands Across Canberra; Director, Community Foundations Australia |
| Doug Hume | Principal, SVA Consulting* |
| Dylan Smith | WA State Manager, Philanthropy Australia |
| Gerlinde Scholz | Executive Officer, Community Foundations Australia |
| Jack Heath | CEO, Philanthropy Australia |
| Jack Hodge | Analyst, SVA Consulting* |
| Nina Barry-Macaulay | Director, Bass Coast Community Foundation |
| Rebecca Moriarty | Blueprint Project Manager, Philanthropy Australia |
| Regina Hill | Director, Effective Philanthropy |
| Rosie Funder | Membership Manager, Community Foundations Australia |
| Sam Rosevear | Executive Director, Philanthropy Australia |
| Susie King | Executive Director, SVA Consulting* |

*Note, SVA Consulting was engaged by CFA and PA in a fee for service advisory capacity, to support development of their joint submission to the Inquiry. This work involved supporting with research, analysis and consensus-building across the community foundation sector to identify actions that government could take to grow and strengthen community foundations. The views expressed in CFA and PA's joint submission represent the views of those organisations and their members.

7.2 Australian community foundations

A list of Australia's community foundations at the time of submission is included below, organised by year of establishment, together with key financials from the 2020-2021 Financial Year (FY21).

Financials have been drawn from ACNC data. In some instances, the foundations lodge their financials against multiple entities – this data compiles all known ACNC listed entities for each community foundation.

| # | Name | Year est. | State | FUM (FY21) | Grants out (FY21) | Donations in (FY21) |
|----|---|-----------|-------|------------|-------------------|---------------------|
| 1 | Lord Mayor's Charitable Foundation | 1923 | VIC | \$254.5M | \$12.0M | \$3.6M |
| 2 | Give Where You Live Foundation | 1953 | VIC | \$5.3M | \$1.6M | \$3.2M |
| 3 | Upper Murray Innovation Foundation | 1984 | VIC | \$425K | \$35K | \$33K |
| 4 | Australian Communities Foundation | 1997 | VIC | \$133.6M | \$13.9M | \$18.1M |
| 5 | Mumbulla Community Foundation | 2000 | NSW | \$118K | \$66K | \$118K |
| 6 | Foundation Broken Hill | 2000 | NSW | \$3.3M | \$48K | \$162K |
| 7 | Geelong Community Foundation | 2000 | VIC | \$31.0M | \$1.0M | \$1.1M |
| 8 | Southern Highlands Community Foundation | 2001 | NSW | \$827K | \$119K | \$91K |
| 9 | Mackay Community Foundation | 2001 | QLD | \$1.8M | \$60K | \$39K |
| 10 | Tomorrow Today Foundation | 2000 | VIC | \$1.3M | \$108K | \$775K |
| 11 | Ballarat Foundation | 2001 | VIC | \$4.4M | \$821K | \$411K |
| 12 | Bass Coast Community Foundation | 2003 | VIC | \$1.1M | \$75K | \$81K |
| 13 | Foundation Barossa | 2003 | SA | \$2.2M | \$119K | \$287K |
| 14 | Northern Rivers Community Foundation | 2003 | NSW | \$2.7M | \$481K | \$729K |
| 15 | Sydney Community Foundation | 2003 | NSW | \$4.0M | \$626K | \$1.9M |
| 16 | Cardinia Foundation | 2003 | VIC | \$571K | \$54K | \$11K |
| 17 | Community Foundation for Tumut Region | 2004 | NSW | \$122K | \$366K | \$160K |
| 18 | Eyre Peninsula Community Foundation | 2004 | SA | \$552K | \$54K | \$15K |
| 19 | Border Trust | 2004 | NSW | \$1.8M | \$327K | \$849K |
| 20 | Stand Like Stone | 2004 | SA | \$5.0M | \$354K | \$363K |
| 21 | South West Community Foundation | 2007 | VIC | \$2.1M | \$84K | \$8K |
| 22 | Inner North Community Foundation | 2007 | VIC | \$10.6M | \$404K | \$3.3M |
| 23 | Buderim Foundation | 2009 | QLD | \$8.6M | \$180K | \$42K |
| 24 | Fleurieu Community Foundation | 2010 | SA | \$293K | \$52K | \$68K |

| | | | | | | |
|----|---|------|-----|--------|--------|--------|
| 25 | Fremantle Foundation | 2010 | WA | \$2.7M | \$496K | \$1.1M |
| 26 | Mirboo North & District Community Foundation | 2010 | VIC | \$8.3M | \$761K | \$91K |
| 27 | Denmark Community Foundation | 2011 | WA | \$100K | \$136K | \$40K |
| 28 | Into Our Hands Community Foundation | 2012 | VIC | \$388K | \$97K | \$269K |
| 29 | Foundation Murrindindi | 2012 | VIC | \$754K | \$75K | \$5K |
| 30 | Hands Across Canberra | 2012 | ACT | \$5.1M | \$1.2M | \$1.4M |
| 31 | Albany Community Foundation | 2013 | WA | \$175K | \$178K | \$148K |
| 32 | Red Earth Community Foundation | 2013 | QLD | \$193K | \$53K | \$49K |
| 33 | Glenorchy Community Fund | 2013 | TAS | \$605K | \$33K | \$11K |
| 34 | Sundale Community Foundation | 2015 | QLD | \$1.2M | \$58K | \$7K |
| 35 | Mornington Peninsula Foundation | 2016 | VIC | \$691K | \$1.4M | \$1.6M |
| 36 | Foundation SA | 2021 | SA | - | - | - |
| 37 | East Gippsland Community Foundation | 2021 | VIC | - | - | - |
| 38 | Port Phillip Community Foundation | 2022 | VIC | - | - | - |

Notes:

- Foundation SA and Port Phillip Community Foundation are sub-funds of Australian Communities Foundation (ACF), but established with the intent of becoming independent organisations once they reach sufficient scale, so are included here. Foundation SA's financials appear within the total of the Australian Communities Foundation. Foundation SA's corpus is estimated to have built to ~\$1 million in that year.
- East Gippsland Community Foundation and Port Phillip Community Foundation did not report income in FY21 so are not included here.
- Leongatha District Community Foundation (established 2016) has not been included, as it has not reported since FY20, is not a CFA member and does not have a presence online.
- Funds Under Management has been calculated with reference to the 'Net Assets' for each organisation as reported to the ACNC.

7.3 Summary of survey results

A survey of CFA’s members was undertaken for this submission in April 2023. Twenty-eight responses were received. A thematic summary of results is outlined below, with the most frequently repeated responses appearing at the top of each list.

Responses have been organised by the size of community foundation. Individuals were asked to self-select from these groupings. Note that ‘size’ categories used in the survey have different ranges than those adopted in other parts of the report.

| | Small: FUM <\$1M (n= 10) | Medium: FUM \$1-5M (n= 12) | Large: \$5M-\$50M & very Large: \$50M+ (n= 6) |
|--|--|--|---|
| 1. What are your growth aspirations (p.a.)? <i>(Median of responses)</i> | <ul style="list-style-type: none"> Corpus: 19.8% Grants: 20% <p>NB: 100% of respondents wanted growth >10% p.a.</p> | <ul style="list-style-type: none"> Corpus: 19.1% Grants: 17.5% <p>NB: 100% of respondents wanted growth >8% p.a.</p> | <ul style="list-style-type: none"> Corpus: 22.7% Grants: 25% <p>NB: 100% of respondents wanted growth >5% p.a.</p> |
| 2. What are your current growth strategies? | <ul style="list-style-type: none"> Raising profile in community Engaging donors and community to build capital Improving operational capability | <ul style="list-style-type: none"> Engaging donors, organisations, and community to build capital Exploring alternative capital growth (e.g., bequests, sub funds) Raising profile in community Improving operational capability | <ul style="list-style-type: none"> Relationships and referrals from existing donors Ethical investment strategies to grow capital Sharing stories of impact to encourage more donors |
| 3. What are your barriers to growth? | <ul style="list-style-type: none"> DGR 1 Status Operational funding and staff/volunteer capacity | <ul style="list-style-type: none"> DGR 1 Status Operational funding and staff/volunteer capacity Lack of community awareness Lack of strategic planning | <ul style="list-style-type: none"> DGR 1 Status Sector awareness amongst targeted donors |
| 4. What support do you need? | <ul style="list-style-type: none"> Funding for current operations Funding for longer term staffing/ capacity Capability building support | <ul style="list-style-type: none"> Collaboration across sector Capability building support Funding for current operations | <ul style="list-style-type: none"> Support to build awareness of sector |

