

# philanthropy 10

The Journal of the Australian Association of Philanthropy

SPRING 1991

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**RED SHIELD APPEAL  
ON DOORKNOCK  
SUNDAY**

Special Feature: Tax Interests  
Feature: Corporates in Philanthropy

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# Cover Note

## Cover Photograph

McDonald's place mats are seen by over 2 million customers per week. The cover shows the place mat which was used to recruit volunteers for the Red Shield Appeal earlier this year.

It is an excellent example of the type of win-win philosophy which can produce the benefits of practical benevolence for all concerned, both corporate and charitable partners. However, this opportunity is not readily available and is well booked into the future.

Not only that, but **Peter Ritchie**, Chairman of McDonalds Australia, heads up their appeal in Sydney and all volunteers enjoy a hamburger for the fruits of their labour.

The place mat below is another example and the first used in this series by McDonalds which promotes the Ronald McDonald Houses. There are more than 150 houses around the world. Seven are in Australia and others are planned.

Royal Children's Hospital  
Melbourne

# Ronald McDonald House

A home away from home for families with children who are being treated for leukaemia, cancer, and other serious illnesses.

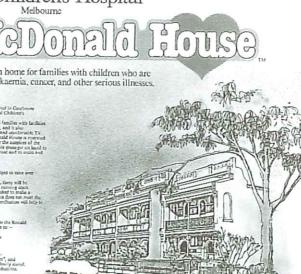
**What is The Ronald McDonald House?**  
The Ronald McDonald House is a place where families can stay close to their children in hospital. It is a place where families can be together, where children can be children, and where parents can have a break from all their worries, because they know their children are safe and well.

**Why is it needed?**  
The Royal Children's Hospital is a large teaching hospital that treats many children with serious illnesses. Families often have to travel long distances to get to the hospital, and many families have to stay in the city for weeks at a time. This can be very difficult for families, especially if they are not from the city. The Ronald McDonald House provides a place for families to stay close to their children in hospital, and gives them a place to relax and recharge. It also provides a place for families to meet other families who are going through similar experiences.

**The Ronald McDonald House provides a new and different kind of support for families. It is a place where families can be together, where children can be children, and where parents can have a break from all their worries and concerns.**

**How can you help?**  
If you would like to help support the Ronald McDonald House, you can do so in several ways. You can make a donation, you can volunteer your time, or you can participate in a fundraising event. The Ronald McDonald House is a non-profit organization, and all donations are tax-deductible.

**Another McDonald's Community Project.**



## Disclaimer

Opinions expressed in this magazine do not necessarily reflect those of the Australian Association of Philanthropy Inc.

# Editorial

The measure of a society is best determined by the ways in which it affords protection to its weakest members. In times of recession it's gratifying to learn that large Trusts, such as the *Jack Brockhoff Foundation*, have taken a conscious decision to seek out direct relief programs. This level of direct need to assist those forced to survive in a society which has reverted to a 'soup kitchen' mentality is a sad commentary on the circumstances in which Australia now finds itself.

The role of Trusts and Foundations in hard times cannot be easy. Many of the Association's members are forced to turn away as many as nine-tenths of the applications before them. Not because they're unacceptable, but because requests are too many and resources too few.

One of the major issues facing an Association of Philanthropy is to determine how best to define its role in these circumstances. Should we concentrate on discovering ways to survive in the face of an avalanche of need, or should we muster the moral strength of our position in philanthropy to increase the pool of givers overall?

The answer is not either/or. This issue of Philanthropy canvasses the ways in which other countries have formed their Associations of Trusts and Foundations, as well as how some corporations are responding to need with creative and imaginative ideas.

One thing remains clear. Even in hard times, the strength and conviction of good ideas still remains the basic currency and capital for moving forward. It would appear there are a number of ways in which Corporate giving and need can form coalitions. In each case, the rationale is altruistic and in some there are clear and practical benefits to all concerned.



The formation of the *Association of Charitable Foundations* in the United Kingdom was clearly instigated by the perceived need to protect the conditions under which charities can operate. With **Daryl Dixon's** comments on the possible introduction of a tax on Trusts and the likely effect on Charitable Trusts, it is clear this is one of the concerns that affects us as well.

Both articles on tax concessions for Charities takes this theme a little further. We do not need to be caught in the situation that Charities in New Zealand found themselves with the introduction of their Goods and Services Tax. Subject to sales tax exemption in the previous tax regime, they found themselves 15 percent worse off, with no success in obtaining rebate after the event. Vigilance on issues such as these are an integral part of the role of the Association and have effects which ripple out to the whole independent sector.

We were fortunate to recently have an opportunity to share experiences with **Jackie Reis**, the President of the *Minnesota Regional Association of Foundations* during the month, and it was heartening to hear that we share similar aspirations and objectives.

**James A. Joseph**, the President of the *Council on Foundations*, puts his finger on a number of important and emerging trends in the field of philanthropy, which have been reproduced in this issue.

**Max Dumais**  
Executive Director  
Australian Association Of Philanthropy

# Multicultural Foundation reaches out to Italian sister

The Australian Bicentennial Multicultural Foundation has joined with the Palladio Foundation of the Veneto Foundation in Italy to sponsor a skills exchange program between our two countries. It will be managed by the Western Metropolitan College of TAFE.

Under the project, which was launched by **Mr Leslie Perrott OBE**, Special Training Fellowships were awarded to three leading Australian artisans to enable them to take part in intensive courses in Italy in 1992.

The topics to be covered are broad, and will be valuable to increasing the skills pool of the Australian building industry. **Daniel Jenkins**, an artisan Goldsmith/Silversmith and Metalsmith will study mode wrought iron in the historic building.

**John Hudson** whose expertise is renovation and restoration, will study the conservation of wall paintings, and **Louise Skacej**, from Monash University will be exposed to casting and freehand drawing skills within Veneto.

The project is a national training program which aims to build national and international partnerships between artworkers, artisans and tradespeople. Its endeavours are aimed towards an innovative and productive future for Australia.

The *Specialised Skills Training Fellowship* is an exciting and unique opportunity for artworkers, artisans and tradespeople to enhance their workplace skills and knowledge in areas not available in Australian educational institutions.

Another aspect of the program is the launch of a *Directory of Opportunities*. It is designed both to help stimulate Australians' interests in increasing their skills by undertaking courses in Italian Institutes and Centres, and also to facilitate the bringing of teachers to Australia.

In launching the directory, both Mr Perrott and the Chairman of the Multicultural Foundation **Sir James Gobbo**, referred to the initiative that sprang from building construction and developers' concerns in

Melbourne that stone masons and restorers had to be flown into Australia to achieve any finishes they required.

Sir James also made the point in passing, that in days gone by, trade was seen as something that led to cultural exchanges. In fact, Australia's great physical distance from its trading partners means it is only now coming to understand that trade is something that follows on from social & cultural relationships, as people learn to understand the different demands and needs of each other.



(From left) Max Dumais, Executive Director, AAP; Australian Bicentennial Multicultural Foundation Chairman, Sir James Gobbo; and Executive Officer, Hass Dellal.

# State Library Renaissance

The Australian Bicentennial Multicultural Foundation was established to promote a strong commitment to Australia as one people drawn from many cultures. It achieves its aims by adopting issues of national significance and initiating projects which, in this instance, will increase links both nationally and internationally.

The Palladio Foundation was also founded in 1988 - Australia's Bicentenary year, in order to improve links between Australia and Italy with particular reference to the Veneto region. It is fitting that this project began by developing links between Australian artisans and the master artisans that have practised in this region of Italy for centuries.

In addition to the Australian Bicentennial

**'The project is a national training program which aims to build partnerships between artworkers, artisans and tradespeople...'**

Multicultural Foundation and Palladio Foundation funding, the initial Fellowship awards have been sponsored by the Victorian Ethnic Affairs Commission, with further support from Monash University's School of Art and Design and the Melbourne College of Decoration.

From a number of small contributions all round, this project shows the way towards developing that 'Clever Country' Australians like to talk about, and provides the means of harnessing the skills and practices which have been developed over centuries.

Of equal interest to Trusts and Foundations may be the fact that this is a significant example of an inter-country partnership between two Foundations and their respective communities.



*Designed by Joseph Reed, Queen's Hall (State Library of Victoria) is part of the original building of the Melbourne Public Library opened in 1856.*

**T**his is the text of a presentation made by Meg Paul and Mary Everard Baillieu of the Restoration Committee to the Association's breakfast meeting for members in August.

The State Library of Victoria is one of our most precious assets. It belongs to all of us, as it holds our history and our heritage. It is a treasure house of knowledge and a source of new and vital information - information that is available without cost to all those who require it - by personal visit, by telephone call, fax or letter.

It is 137 years since the library was founded by Justice Redmond Barry who gave his own personal collection as the basis, so all who wished could benefit by his dream of a Great Emporium of Knowledge.

It not only holds nearly 12 million books, but all together more than 12 million items ranging from Ned Kelly's armour, to the petition from the miners at Eureka, to the Burke and Will's diaries. The books range from priceless medieval manuscripts, to rare volumes worth over a million dollars, to the humble comic book.

Since the 1950s successive governments have promised new buildings, and because of these promises — it became jam tomorrow, jam yesterday but never jam today — the roof leaked, and still leaks over irreplaceable books and paintings. The staff worked, and still work, in Dickensian conditions and space ran out many years ago.

### **'Until the 1950s the State Library was known as one of the great libraries of the world.'**

Until the 1950s the State Library was known as one of the great libraries of the world. We have lost our pre-eminence. We have fallen on hard times but there is light at the end of the tunnel.

The State Government is committed to its ongoing funding to provide us with space and facilities that will be adequate into the next century. It has guaranteed funding for the redevelopment programme over the next decade as the library takes over the space now occupied by the Museum. Building has begun — there are two buildings being constructed in Russell Street and a new plant room in LaTrobe Street.

We live in the information age. If Victoria and Australia are to stay competitive with overseas countries, then we must have an educated and informed public. The State Library must be able to

fulfil its role as the cornerstone of our cultural development and be restored as a pre-eminent educational resource, both locally and nationally. We can only all be enriched by it.

Access to knowledge is the supreme act of truly great civilizations. Of all the institutions that purport to do this, free libraries stand virtually alone. No committee may decide who may enter. No tuition fees are charged.

To quote from Redmond Barry "*...dangers to freedom arise from the prevalence of ignorance and vice, and that provision must be made for the cultivation and expansion of the public mind, according as it becomes charged with the exercise of political privileges.*"

We need a revitalized State Library and we need one that is a centre of excellence. We cannot afford anything less. It is because of the need to bridge the gap between adequacy and excellence that The Council of the State Library of Victoria has launched the Renaissance Appeal.

Some of the projects already funded include:

- Victoria in Pictures, a videodisc project funded by the Sidney Myer Fund — \$309 000 over 5 years.
- Education Centre to develop special services to students. The establishment and running costs for the first year funded by the William Buckland Foundation — \$95 000.
- Furnishing and equipping the Rare Books Reading Room in the redeveloped library by Ian Potter Foundation — \$100 000.
- Support for library services to the blind and other print handicapped readers by the Felton Bequest — \$40 000.
- Assistance with conservation of newspapers by the Edward Wilson Trust — \$20 000.
- Production of an introductory video of library services by the Truby and Florence Williams Trust — \$10 000.

# Women and Work

## A project of the Victorian Women's Trust

In 1992 the Victorian Women's Trust will launch an exciting new funding program — the *Women and Work Granting Program*.

It is hoped this granting program won't be a Victorian Women's Trust initiative alone. The Trust hopes that other Philanthropic Trusts will jointly fund some of the projects, and that Government Agencies will also co-fund some projects.

In 1991 the Victorian Women's Trust has pioneered a way of developing a new focussed granting program. The Trust's *Women and Work Project* has involved a range of activities which all lead to the development of the new 1991 Women and Work Granting Program.

The main activities of the 1991 Women and Work Project are as follows:

- Compilation of a register of the main groups and individuals in Victoria involved in actions and campaigns to improve women's working lives.
- Production of a Registration of Interest pamphlet about the Women and Work Project. To date about 350 women and organisations have registered interest in the Project.
- Co-ordination of a workshop on key issues around unpaid work, and what actions need to occur to address these issues.
- Production and launch of *The Victorian Women's Workly - Doing Double Time* magazine. Lynn Beaton was employed to research and write the magazine. The Launch on August 1 was held at Highpoint City Shopping Centre, and the magazine was co-launched by the Honourables Caroline Hogg

and Rosemary Varty, Jenny Donnet (Australian diver) and Denise Scott (comedian). Considerable media coverage emanated from the launch, and the magazine is being marketed widely.

- Co-ordination of a Search Conference on Women and Work to be held on 14th and 15th October. The Search Conference is to be facilitated by Suzanne Capell, and will aim to bring together 45 women representing the main union, community, academic, private sector, and government organisations who are addressing issues around women and work. The expected outcomes of the Search Conference will be prioritisation of the issues to be tackled and strategies to address them. Hopefully, some of these strategies can be funded by the Trust in 1992.

(Continued overleaf)



(From left) Demonstrating their dual work roles, Board Member Trish Caswell with daughter Siobhán and Project Co-ordinator Helen Gow with Iona.

- Addressing a range of funding organisations about the project, in order to gain interest in either resourcing the 1992 VWT Women and Work Granting Program, or joint funding of actions and strategies.
- Development of guidelines for the 1991 VWT Women and Work Granting Program.

The fact that women are coming off second best in both the paid and unpaid workforces is something the Victorian Women's Trust has decided that it cannot ignore.

Some of the key facts and issues around the working lives of women are as follows:

- Women in the paid workforce are here to stay. By the year 2000 AD around 74 percent of women in Australia between 25 and 35 years will be in the paid workforce. Traditionally women were only thought to be in the paid workforce when there was a major labour shortage, or before they had children.
- Although in 1990 54 percent of all Victorian women were in the paid workforce (comprising 43 per cent of the Victoria workforce) they had lower wages and status.
- 63 percent of women in Australia work in only three industry groups: community services, wholesale and retail trades, and financial services (In other words, women do the same things inside and outside the home). This work is often considered unskilled and is poorly paid.
- 78 percent of all part-time workers are women, as women workers have to juggle their working lives around the needs of their children.

- Women earn less than men: in 1990 in Australia the average weekly wage for women was 65 per cent of the male average.
- In Australia, unpaid work at home is worth \$260 billion pa (the Australian mining industry is only worth \$30 billion pa).
- The approximate value of one week's unpaid work done by Victorian women in 1990 was \$660 million.

***'The fact that women are coming off second best in both the paid and unpaid workforces, is something the Victorian Women's Trust has decided it cannot ignore.'***

The Victorian Women's Trust, as a result of its 1991 Women and Work Project, now has a good picture of the facts and issues around women and work. It has been necessary for the Trust to develop this picture so that in 1992, it can develop a successful Women and Work Granting Program.

At the end of 1991 the Trust will also have available a kit outlining how it undertook this project. Other Philanthropic Trusts may be interested in the wider application of this kit, if they were ever considering developing a specific-issue granting program.

# Establishing a Foundation

## The Small Change Story so far...



Vietnamese students sing about the drama of leaving their homeland during a Small Change Foundation expo in Melbourne's Bourke Street Mall.

### Firstly, who are we?

The Small Change Education Foundation is an independent non-profit organisation with a strong commitment to the public education system, funded by individuals and business.

### So what's the big deal?

The big deal is that this foundation was conceived on the premise that a small amount of money can be injected into the system and still make a difference.

### What about the hassles?

Each time Small Change receives a reminder letter from GJ Sebo of the Workcare Levy Collection Agency telling us of our overdue payment, I am reminded of the frustrations involved in setting up a new foundation on limited resources. Of course, these are

time-consuming, fiddly and non-visionary aspects of launching a visionary concept — an organisation which speaks passionately about the importance of public education for the future well-being of Australia.

### What is it like to establish a new Foundation in Australia?

It is very exciting and very much a matter of hard work. We now know a lot more about what to do and what not to do too.

The founder of Small Change wished to seed the initial money to begin an organisation which would promote and support public government education. In order for Small Change to survive however, we now have to raise money. In other words, Small Change is a privately-funded public foundation which now exists solely on donations.

*(Continued overleaf)*

Small Change is unique in Australia in several ways. It works to strengthen an existing public structure (government schools) and one that arguably needs a lot of support. Thus, Small Change is stating its view on the need for quality educational opportunities being offered to all of our young people.

Members of Small Change believe investment in public education is the best investment Australia can make in its future.

As the founding donor of Small Change is very much still alive, the challenges in obtaining tax deductible status are ongoing. The reality is that for over two years the directors trekked from one law firm to another, seeking personnel who could advise us correctly. This of course takes time, determination and attention to fine detail.

Small Change stays afloat with two part-time members, the hard unpaid labour of one trustee and the invaluable support of our board of directors and membership. The question is how to leverage our staff and limited financial resources to achieve maximum results.

There are many DON'Ts (like DON'T forget to remind the star attraction at your calendar launch that she, **Mary Coustos**, is doing the launch!). However, there are also some exciting DOs.



*The power of straws: school students demonstrate their car-holding straw bridge.*

We now have in place:

- An efficient and productive granting system whereby post-primary teachers are allocated funds of up to \$1 000 for curriculum-enhancement projects.
- A grant selection process that involves 25 community representatives and commentators.
- A range of projects in schools that, with minimum outlay, have been tremendously successful.
- Joint partnerships with business and other foundations in funding certain projects.
- A supportive and encouraging group of colleagues and friends who have guided us through the tedious and difficult times.

Recently, the Small Change Foundation made its presence felt in the Bourke Street mall as the following initiatives took our message to the public:

- A Magic Science Show with levitating balls and chemicals changing colour, and the students explaining "Why is this so?"
- Archie Roach sharing his secrets of success with *In our own words*—a young Koorie music group.
- The *Switched-On Girls' Club* working with electronics!
- Students building straw bridges that can hold cars.
- Vietnamese students performing, to music, the drama of leaving their war-torn homeland, just six months after arriving in Australia.

**And what is next...?**

Small Change started with just a small amount of money from one individual, together with a big idea. In order to succeed, it must now grow with financial contributions from others who believe a first class economy needs first class education, and that little resources invested in the right ideas can make a difference.

# Lend Lease

## Promoting a 'win-win' philosophy in the community

Lend Lease is a leading property and financial group which attributes much of its success to a simple philosophy — that everyone should win. Only when the clients, employees and community win, does Lend Lease win.

Because of this, Lend Lease gives help and support to many community-based education and development programs. The Corporation gives back to the community in many ways, but its emphasis has been particularly directed towards youth.

One particular programme which hits a respondent chord in these times of economic downturn in the construction industry, is their initiative with the Australian union movement through the *ACTU-Lend Lease Foundation*.

The ACTU-Lend Lease Foundation is based on a co-operative association between the ACTU and the Lend Lease Corporation which is supported by an annual grant from the Lend Lease Corporation. It was established in 1981 with the objective of helping people acquire the necessary skills to improve their job and career prospects.

It is also an excellent example of how employers and employees can respond to a situation within their industry which affects the lives of ordinary Australians — in this case those most affected by the cyclical downturns which are part of the building industry. Too often, too many apprentices and skilled workers are lost, both in economic and personal terms, to the resources of the country.



Kevin Tower, Executive Officer of the Foundation.

The ACTU-Lend Lease Foundation provides a unique form of support through the development of over one hundred Group Training Companies.



(From left) Bill Mansfield, ACTU-Lend Lease Foundation, and Ken Hill, Lend Lease are involved in a Group Training Company in Townsville, Qld.

### What is a Group Training Company?

Most Group Training Companies are organised on either an industry or a regional basis, although some are centred on local government activities or specific projects.

They act as the employer for groups of apprentices and trainees, who are leased to small or specialised companies where they receive practical on-the-job training, in addition to attending relevant trade courses at a TAFE or other training provider.

A major advantage of this initiative is the levelling of out of seasonal variations and the retention of out-of-trade apprenticeship skills.

Both Commonwealth and State governments provide financial assistance to group training companies. In the latter cases, companies enjoy the option of diverting a percentage of payroll tax to Education Foundations which are also established to assist in this way.

(Continued overleaf)



*The ACTU-Lend Lease Foundation assist people in acquiring skills to improve their job and career prospects.*

### **What role does the Foundation Play?**

The ACTU-Lend Lease Foundation assists in the start-up stages by undertaking feasibility studies and the incorporation process. It makes promotion grants during the first 2 years and repays charges against locally guaranteed overdrafts during the establishment stages.

During the growth phase, the Foundation makes interest-free loans for capital items for example, computers and field officer grants on a case by case basis. Once the company has reached a degree of

maturity, there is still the capacity to receive interest-free loans or grants to enable growth into other training areas and for producing models which the Group Training Companies can use; such as advanced skills.

Within a decade, the Foundation has assisted the development of over 100 companies and has employed over 12 000 apprentices and trainees. Since inception Lend Lease has contributed over \$3.7 million to the work of the Foundation.

There are a number of interesting aspects to the development of this Foundation, as well as indicators for philanthropy in a corporate sense overall.

Firstly, it provides a valuable management/union model, which involves both managers and workers in a joint vision for Australia which is larger than the day to day activities of the company.

Secondly, it displays a degree of both informed philanthropy and practical benevolence in ways in which other industries might emulate. Namely, the response of the Foundation to social situations is in terms of their own intimate knowledge of their own industry.

# The Mazda Foundation

## Working to put something back into the community

The Mazda Foundation was established in 1990 as a public benefit Trust to provide assistance to a broad cross-section of individuals and important causes throughout Australia.

The Foundation's aims and objectives include:

- Assistance to young people, through education and employment skills development, with particular emphasis on children from deprived backgrounds.
- Assistance in the advancement of education and achievement of excellence at all levels in the community.
- Assistance in the development of technology to help improve Australia's international competitiveness.
- Assistance towards the maintenance and improvement of the natural environment.

A substantial contribution to the Foundation was made by Mazda Motor Corporation Japan and Mazda Australia. Further contributions will be made in the future by Mazda Australia, supported by the Mazda Dealer Network.

However, contributions will also be sought from individuals and organisations sharing the philosophy of the Foundation. Such contributions are tax deductible.

In 1960, Mazda commenced operations in Australia with the stated philosophy of "*the enrichment of life and the achievement of excellence.*"

Since that time, the company has striven to achieve this goal in the development of its product line. Mazda has also participated in the community and fostered a spirit of community involvement. It is from this commitment that the concept of the Mazda Foundation has emerged.

### Assisting International Competitiveness

In terms of developing international competitiveness, the Mazda Foundation, in conjunction with the *Myer Foundation* and the *Australian Bicentennial Multicultural Foundation* has funded the *Asialink Centre*.

Asialink's mission is to create a new generation of Australians, confident and capable of living and working in the Asian region in order to make Australia an important part of this economically dynamic region.

(Continued overleaf)

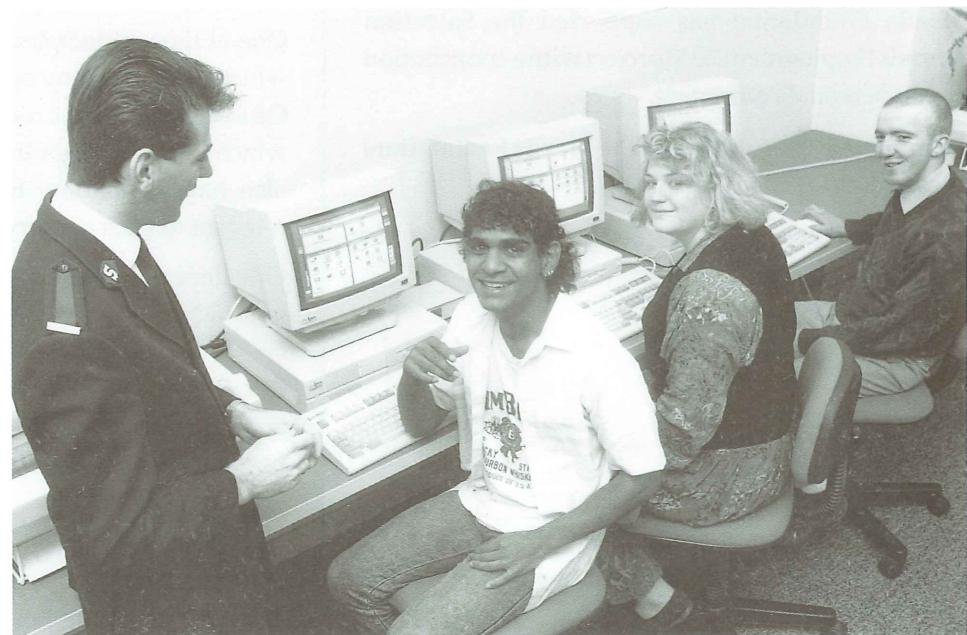


Photo by John Lamb (Courtesy of The Age)

The Mazda Foundation assists people from disadvantaged backgrounds.

# Esprit Care Trust

First established in February 1990 as a joint venture of the *Myer Foundation*, the *Commission for the Future* and the *Asian Studies Council*, it has since become a *Centre of the University of Melbourne*.

Asialink's objectives are as follows:

- To generate a diverse range of educational and creative programs to promote community awareness of the crucial role of the Asian region to Australia's future.
- To work towards an Asia-literate and Asia-competent Australian community.
- To undertake research aimed at equipping Australians to take up a mature and responsible role within the Asian region.
- To present Australians to Asia as professional and informed citizens within the region.

## Assisting Young People from Deprived Backgrounds

Mazda Foundation has supported the Salvation Army's Employment 2000 project with a contribution of 100 personal computers.

For information concerning the Mazda Foundation, please contact:

The Secretary  
PO Box 183  
South Melbourne  
Victoria 3205.  
Fax: (03) 690 9771

## Happy Birthday Australia!

When clothing company *Esprit* celebrated its tenth birthday in Australia this year, it decided that the gifts should go to the Australian community. At *Esprit* headquarters in Melbourne, *Gerda Fanning* spoke to *Jane Sandilands* about the company's plans to "give back" to Australia.

An international company which had its beginnings in the late 60's in San Francisco, *Esprit* now operates in 25 countries around the world.

Although the strong American tradition of corporate good citizenship has filtered through from the parent company to its affiliates throughout the world, the concept of being an active part of a vital community remains firmly at the discretion of each *Esprit* operation, wherever it may be based.

*Gerda Fanning*, Public Relations Manager of *Esprit* in Melbourne, said that ten years ago, the directors of each *Esprit* company around the world sat down and together formulated ten principles under which the company would operate.

One of those principles was to enrich the society in which each company operates. While *Esprit*'s Head Office in San Francisco sometimes develops concepts which each branch of the company will follow, they also have autonomy to take up particular issues relevant to each country.

One important issue adopted by *Esprit* in Australia is to take action to help prevent homelessness of children and young adults. *Gerda Fanning* agrees this issue is not restricted to Melbourne or Victoria and when the program has been established, it will be taken to the rest of Australia.

*"What we are doing is obviously very new and we are going to pilot it in our own backyard. In Perth we've sponsored a program which is being run by the Perth City Mission and *Esprit* will also be using other agencies with expertise in the field."*

# Philanthropy in the rag trade



During its time in Australia, Esprit has become known as a company which involves itself in community issues. The first, Gerda Fanning says, is a concern for the environment which Esprit has been heavily involved in for several years.

As a way of marking the company's tenth anniversary in Australia, it was decided that Esprit should make a more specific commitment to the society in which it operates. From that idea came the development of a Trust Fund for Esprit, to be known as the *Esprit Cares Trust*. The focus on homeless children and young adults came about because of the links Esprit has with young people, Gerda Fanning said. "We're a young company, we talk to young people, teenagers in particular, and we believe they are the future of this country, that's what we're about."

"Put simply, the philosophy of the Esprit Cares Trust is about protecting the future — both our environment and our children."

Once the decision was made to take action in this area, plans to bring it into being began with Esprit's tenth birthday party, held in April this year. Guests paid \$100 as a direct donation (Esprit has been granted tax deductibility status) and \$100 000 was raised. As well as raising money for the Esprit Cares Trust, an equally important objective of the night was to make people aware of the plight of homeless children.

*"We took it for granted that people were aware of our environmental problems in Australia because that education process has been going on for a long time, but we really felt people weren't as aware of the problem of street kids."*

*"For that reason, at the birthday party, we showed a ten minute video (consisting of excerpts from the acclaimed program *Nobody's Children*) which we felt went right to the heart of the problem in making people aware."*

*(Continued overleaf)*

The guests for the evening were made up of those who had specifically supported Esprit over the last ten years. "Wholesale customers, staff—past and present, media, VIP customers and suppliers — they all came."

While the Esprit Cares Trust was launched with the \$100,000 from the birthday party, it was followed up by a special range of clothing designed to celebrate the company's tenth anniversary. Proceeds from this range also went to support the Trust. Then a follow up line was created, where 10 percent of the proceeds went to the Trust, and it was followed by the promotion of summer tote bags. Each bag sold will add a dollar to the Trust.

**'Put simply, the philosophy of the Esprit Cares Trust is about protecting the future — both our environment and our children.'**

The Esprit Cares Trust has a board of trustees, and **John Bell**, Managing Director of Esprit has a close personal involvement with each project. It was his input which decided that the Trust should support a program which allowed homeless young people 'time out' on a farm.

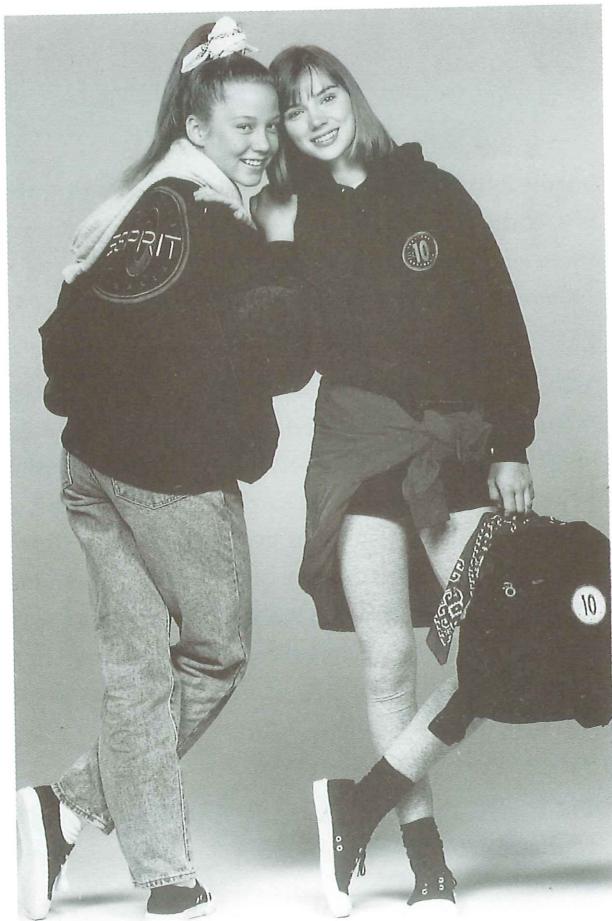
Brought up on a farm himself, John Bell is a strong believer in the values of country life and the therapeutic effect of being close to nature.

However, lest there are those who think Esprit operates on the level of starry eyed idealism, Gerda Fanning is quick to explain the company sought a good deal of advice — including 'invaluable help' from ANZ Trustees' **Elizabeth Cham** — before going into this or any other social welfare project.

Elizabeth talks about the fact that the Esprit Cares Trust has on its Board **David Eldridge**, who has expertise in social welfare areas. "A guru and the oldest youth worker in the world," Elizabeth says.

Esprit discovered an excellent farm/time out operation at Taggerty in Victoria. It is run by a former headmistress who saw the need to cater for those who were in some way 'different'. They may be physically handicapped children, young prisoners on early release and others referred from the courts and church organisations, or in some cases, refugee centres in Melbourne.

The Taggerty operation takes up to four people at a time, who stay for as long as it takes for them to feel comfortable about re-entering society. Finding Taggerty and the operation already in place was, Gerda Fanning said really marvellous.



*"We had looked at a lot of farms and this one impressed us the most. There was a schools program operating there as well which had been cut because of lack of funding and we were delighted to step in with our support. We don't want to alter anything. We certainly wouldn't presume to change its direction, as it already works extremely well."*

Closer to home, Esprit also supports a program with Ardoch Secondary College in suburban Windsor, where the greatest need is student living accommodation.

***"...but we really felt people weren't aware of the problem of street kids."***

Here, the company has rented a three bedroom flat close to the school. In conjunction with two counsellors at Ardoch, Esprit oversees their occupation by the Ardoch students. They are careful to build a budgeting element into the management of the program, and the students who occupy the flat pay 20 percent of their *Austudy* allowance towards the rent. They also pay their own household, electricity and gas bills.

*"We are totally against simply giving handouts,"* Gerda Fanning said. *"That takes away responsibility from the people involved which in the long run is counter-productive."*

The long term goal of Esprit's involvement in the whole area of homeless children is to bring into being what Gerda Fanning calls the 'cycle'. *"First we want to see that after kids have been to Taggerty, when they come back to the city — whether it be Melbourne, or in time, Sydney and Brisbane and the other states — they would go to a particular company who had agreed to take responsibility for them."*

*"Then the options open to them would range from returning to some form of education, or perhaps taking up an apprenticeship or becoming involved in some sort of training scheme. The idea would be that the company would sponsor accommodation for them so that each young person could get a really good start. The company's financial commitment would be no more than \$10 000 a year, and we hope for the commitment to give work experience and then full time work when their education is finished."*

This, Esprit believes, is a workable solution which also breaks down the first avenue of resistance which homeless (and jobless) children mention. *"They say there's no point going to school or training for work, as there are no jobs available. If we have a company prepared to act as mentor to each of these young people, then we already have a good basis to work from so they can successfully look to the future."*

And as happens with some projects which begin by looking broadly at the community, there is often a commitment which makes itself felt at the personal level. At Esprit, John Bell has become a mentor for two teenagers who have, Gerda says *adopted us. They keep in touch with us regularly, drop in when they want to. It's what really brings the project to life in a day-to-day sense. We're involved every step of the way.*

The *Australian Association of Philanthropy* warmly welcomes the Esprit Cares Trust as its most recent member.

**Further information about Esprit Cares Trust is available from:**

**Gerda Fanning**  
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Esprit De Corp (Australia) Pty. Ltd.  
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# Trust Investments Reviewed

The Australian Taxation Department's increasing interest in Trusts and Foundations may have consequences for their investment decisions.

According to **Daryl Dixon**, writer, tax consultant and member of the Board of Governors of the *Australian Taxation Research Foundation*, the Tax Office in Canberra is considering anti-avoidance action to extend the imputation credit system of company tax to apply to investment Trusts.

This action is seen as a simple solution to deal with the problem of Trust beneficiaries omitting to declare their assessable Trust income in their personal tax returns. While this approach is not likely to affect the operations of Charitable Trusts in a direct way, since they are presently exempt from tax, it would dramatically further reduce the avenues of tax-free investment available to such Trusts.

It has already been established that Charitable Trusts are not eligible for a tax refund in respect of franked dividends paid by companies in which they hold shares.

If the imputation system were to be further extended to include common funds and cash management, as well as other Trust mechanisms, such action would greatly restrict the investment outlets available to Charitable Trusts.

A major result would be to limit the investment options which actually provides some benefit to their tax exempt status. The only alternative available would be to hold such investments directly in their own names, rather than through the common funds of Trustee companies.

A review of the tax treatment of Trusts is also likely to involve a consideration of the tax expenditures involved in the treatment of Charitable Trusts and other tax exempt bodies.

These matters and others will be canvassed at the next meeting to the Association's Committee on Tax and Related Legal Matters, at which Daryl Dixon will be a special guest.

# Tax Deductibility for Charities

At the recent seminars on Taxation Concessions for Charitable Bodies and Philanthropies, a good deal was argued and written, from the halls of Academia to the corridors of Treasury, about the issue of tax deductibility and where it should stand in the order of things philanthropic.

The arguments were cogent, compelling and complete. Tax deduction for charitable activities is definitely to be considered a tax expenditure by academics, Treasury policymakers and, at the very least, the Assistant Tax Commissioner for Business who was present and who administers the matter.

## What is a 'tax expenditure' and what does it all mean?

Deductions for Charities are taken out of income before tax is assessed, and to that extent are considered, to some degree, to be diverted from the general tax pool.

Put another way, the individual donor is placed in the position to determine, or earmark, where this diverted tax is to be put to use, rather than the government of the day.

However, the question, remains: What does all that have to do with charity and the future of tax deductibility?

For the Tax Man, he is on record, at least at the recent seminar as saying it is an area he intends to get around to next — now that taxation self-assessment is in place.

Look out Film subsidies, Rural and Industry research subsidies and of course, charitable deductions. Although the Very Fast Train consortium failed to convince the Treasury of their need for tax concessions, it has at least had the issue of tax incentives for physical infrastructures in the country referred for special consideration by the Premiers' Conference in November.

## The future for Philanthropy and other interested parties

It is past time that a similar consideration was given to the equally vexed question of tax incentives for social infrastructure. Such an initiative might provide an opportunity to redefine the meaning of 'Charity' in keeping with the realities of the 1990s.

Unfortunately, it has been one of the major arguments by the recent Treasurer that Government is better able to direct the spending of this money anyway and should, therefore, remain responsible for the tax harvest. One of the major issues often overlooked is the indirect gift component of at least 61 cents in every donated dollar which is involved.

**'Tax deduction for charitable activities is definitely to be considered a tax expenditure by academics, Treasury policymakers and the Assistant Tax Commissioner for Business'**

It is not an argument that some of us, at least those from Victoria, may no longer be prepared to go to the ideological barricades with quite the same vehemence as one might have countenanced before the experience of the VEDC.

Such a move would hardly be without its direct costs as well. The mind boggles at the cost of replacing the 15 percent which is currently allowed to Trusts and 'Foundations by way of administration costs, with the advent of policy objective analysts, program direction administrators and compliance monitors that are part and parcel of any self-respecting government agency in this age of corporatist managerialism.

For example, one of our biggest and most efficient Trusts in Victoria, which has a 'corpus', or body of assets at around \$24 million, and which distributes over \$2 million each year has its decisions administered by one part-time executive officer and his trusty XT IBM-clone computer. To top it off, he still manages to produce the annual report by the end of the first week of the next financial year.

### What are the lessons of our overseas counterparts?

In the case of New Zealand, the Labor Government abolished tax deductions, and went even further in failing to rebate the loss of sales tax exemptions that Charitable Agencies experienced when they then introduced their Goods and Services Tax. There has to be a lesson for us there somewhere.

More surprisingly, the New Zealand Labor Party platform spelled out their concerns with tax deductibility in clear ideological terms. According to their document, the main reason for its demise was that "*It benefits the wealthy*".

Now, even the most ardent critic of tax expenditures, whether disguised as charitable deductions or not, has to admit that at worst, the so-called diversion of tax to private administration can only account for 39 cents or 49 cents at the very worst, in every donated dollar. What about the other 51 cents or, more likely, 61 cents that is clear gift? How can we make sure that these so-called "*benefits for the rich*" are not completely lost to the poor?

Some of the answers would seem to lie in the unsung benefits of converting tax deductions into tax rebates. According to some, this would make everyone's donated dollar of relative worth, it would be tidier to administer within the scale of things taxable and it would be a better way to measure just who gives what to whom and under what circumstances.

*(Continued overleaf)*

In the case of Canada, for instance, tax deductions have been replaced with tax rebates. In this case, tax is set on the full amount, but rebates are provided for amounts given to assigned charitable activity.

One of the side effects of this decision is the opportunity to redefine what '**charitable**' actually applies to. At the moment, since the phrase '**charitable purposes**' is not used in the section listing tax deductible groups (*Section 78*), we in Australia are labouring under Court interpretations of the Common Law, which are reduced to the reference of the preamble to a Statute of Elizabeth the First in 1601. It defines '**Charity**' as "*the relief of the aged, impotent and poor*". It is fair to say that, in many respects, the decision of the Courts have let us down.

**'it would be difficult to justify any argument for Trusts and Foundations to have their funds tapped'**

The more important issue is that of '**relief**'. Institutionally, one ruling after another cements the notion that this applies to direct and hands-on activity. Consequently, when Section 78 of the Act is applied to ACOSS, for instance, it would be considered '**charitable**' if it handed out money to the poor, but not if it were to consider its task as lobbying for a more equitable and just society.

On the other hand, '**tax exemption**' under Section 23 is much more amenable and does refer to '**charitable purposes**' whereby charitable purposes are extended to include the advancement of education, the advancement of religion and, finally, the more general category of "*other purposes beneficial to the community*".

While '**tax exemption**' has some benefits to community groups, it relates more to tax that might otherwise be generated by their activity, rather than the more beneficial advantage that '**tax deduction**' provides as a tangible tax incentive to others who might be predisposed to support their activity.

A major consequence of the recent brouhaha about the *Elizabethan Trust* and its demise has been the rush by the Government to install a range of "Arts" recipients as '**tax deductible**' in their own right. One can only hope that a similar relaxation might occur within the sphere of community service, welfare and a number of agencies defined into the provisions, in much the same way.

Certainly, it is an interesting situation that the *Australian Council for Overseas Aid* is in the position of enjoying tax deductibility because, although it is not directly involved in relief, it is one of a small number of organisations which don't provide direct benevolent assistance, but which play a role in the benevolent process.

While it doesn't provide overseas aid it is deemed to co-ordinate the activities of the member bodies, consult with governments and provides education aimed at stimulating fund-raising by its members. The Court therefore held that it was a public benevolent institution and saw nothing to counter the proposition that an institution may be organised for benevolent relief even though it performs only one of a number of steps in the benevolent process.

If this is so, one might reasonably argue the case that the Australian Association of Philanthropy fulfils a similar role amongst the domestic givers, in much the same role as ACFOA might for international givers.

Either way, in the final analysis, one thing remains certain, change is in the wind.

# A Tax Expenditure by any other name!

Irrespective of the Federal government's position on tax matters relating to 'Charities', each and every State Government has or is embarking on a tidying up exercise of its own.

Most are well into the process of reviewing the regulatory mechanisms that they have in place for Charities, particularly in terms of the fund-raising constraints that may exist in each instance.

From the Association of Philanthropy's point of view, it would be difficult to justify any argument for Trusts and Foundations to have their funds tapped for any contribution necessary to sustain the creation of more and more regulatory bureaucracy.

There is an obvious and desirable capacity for self-regulation, and to consider that this could not be achieved in the area of voluntary giving would almost constitute a contradiction in terms.

Now is the time to be considering the position, to take a stand on whether to be proactive or reactive and most importantly, to measure the pros and cons of a system which delivers up to one billion dollars, or 61% of around \$1.7 billion which the Australian Association of Philanthropy identified in its *Giving Australia* initiative, for distribution to the non-government sector of this community.

One objective is obvious, we shouldn't rush to throw the baby out with the bath-water.

Whatever system is to be installed, now is the time for agencies such as the Australian Association of Philanthropy, which is concerned to promote and protect philanthropy; and the peak agencies which represent the beneficiaries of the charitable dollar, such as ACOSS and others, to get their respective acts clear, if not together.

**Max Dumais**

**T**his interview is based upon a presentation by *Rick Krever, Reader in Law at Monash University, to the Seminar on 'Taxation Concessions for Charitable Bodies and Philanthropies'* which was run in Melbourne in April, and Sydney in June by the *Australian Tax Research Foundation and the Comparative Public Policy Research Unit, Monash University*, in association with the Australian Association of Philanthropy.

## Why do you describe income tax deductions for charitable gifts and tax exemption for charitable institutions as 'Tax expenditures'?

Exemptions or deductions which affect tax liability other than in the course of determining a taxpayer's benchmark income are called tax expenditures. They are expenditures or spending programmes incorporated into the income tax law and are accounted for in the budgetary process as the equivalent of the direct outlays they replace.

## How would charitable donations' tax expenditure differ from other forms?

It differs in that the benefit of the tax savings does not flow exclusively to the taxpayer; rather, it flows to another party, namely a charitable institution. For example, a high income taxpayer in the top tax bracket who donates \$100 to charity is entitled to lower their assessable income by \$100 and receive a \$50 tax saving to offset the tax liability levied on other income, or otherwise receive a refund.

In this example, the tax expenditure lowered the cost of the gift from \$100 to \$50. The charitable institution however, received a full \$100 from the donor. In effect, the government gave \$50 and the donor gave \$50, with the donor acting as an agent for the government.

*(Continued overleaf)*

## Tax Deductibility and Tax Exemption for Charity

If tax expenditures are, in effect, a form of diverted public funds under this analysis, should these funds be spent on charitable purposes?

If the case can be made for public funding, it must be asked whether the assistance should be provided directly by government, or indirectly by way of grants or distributions to private sector bodies.

While agreement on public (ie. state) support for charitable objectives is by no means universal, our society favours the provision of some public funds for these purposes.

**What are your distinctions between direct expenditures and tax expenditures?**

Viewed as a government outlay, the charitable donation tax expenditure is most peculiar. The range of potential recipients of the government subsidy is limited by tax law terminology which was adopted from common law precedents that may have little bearing on the objectives underlying the tax expenditure programme. Secondly, the tax expenditure directs government funds to purposes chosen directly by private citizens, not Government Ministers, nor persons responsible to them.

Third, they operate as a programme in which the recipient organisations carrying out those charitable purposes are also chosen by private citizens, not by representatives of the government. Fourth, it is not subject to the usual ministerial or Parliamentary scrutiny and budget controls. Fifth, it operates in an 'upside-down' manner, whereby the size of the matching grant from government varies according to the donor's marginal rate of tax.

Supporters of the current deduction-based tax expenditure for charitable gifts strongly defend the first two features. It has been more difficult to formulate compelling arguments of the advantages of the third feature. No convincing rationale has been suggested for the fourth feature into the tax expenditure programme.

**What do you mean that the potential recipients of government contributions are limited by tax law terminology?**

The provision of the Income Tax Assessment Act which permits taxpayers to deduct gifts, *Section 78(1)(a)*, does not actually speak of 'charities' per se. Charities are referred to in two other sections of the legislation, *Sections 23(e)* and *23(j)*, which respectively exempt charitable institutions and charitable funds from any tax liability on the income they derive, but *Section 78(1)(a)* actually speaks of deductions for gifts made to 'public benevolent institutions'.

Neither 'charitable' nor 'public benevolent' institutions are defined in the legislation and in both cases their scope has been determined by the Courts, relying on judicial precedents.

**Earlier today, the Assistant Tax Commissioner for Business made the comment that it was not the legislation, but rather the rulings of the courts which have let us down, from the point of view of expanding the notion of 'charitable' to suit present day needs. Would you agree?**

The resulting caselaw has given a somewhat narrower meaning to the 'public benevolent' phrase used in the deduction provision than to the 'charitable' phrase used in the exemption measures.

**What are some alternatives?**

Reform of the deduction-based tax expenditure for charitable gifts would seek an alternative expenditure programme that retained the benefits of the current tax expenditure while overcoming its faults. The perceived benefits emanate from its pluralism attributes. The flaws are the consequent complete lack of budgetary control by the government and the substantial bias which favours financially the recipient choices of the high income taxpayers over the choices of low income taxpayers.

Two alternative expenditure programmes which may accomplish these reform objectives might include a direct matching grant system or a tax rebate system.

### **How would these alternative systems operate?**

Under a direct matching grant system, no tax relief would be provided to taxpayers making gifts to charitable institutions. Instead, matching grants would be made by the government directly to the charities which provide details of contributions received during the year.

### **What might be some of the possible drawbacks?**

The first would be the timing. Under this system, only the taxpayer's share of the donation would be received immediately by a charity. The government's would follow later, following the presentation of appropriate accounts.

Secondly, it is not clear what effect on total contributions the change to a matching system would entail. The third concern is the potential threat to a pluralist decision-making process embodied in the current deduction-based tax expenditure.

### **What about the tax rebate notion?**

A tax rebate-based subsidy programme would operate in much the same fashion as the current deduction system — taxpayers would choose the causes and organisations that would benefit from the government's contributions.

Like the current system, taxpayers would provide charities with the entire amount of the gift and then receive a refund of the donation in the tax assessment process.

Unlike the current system however, no deduction would be available for charitable gifts. In other words, the gift would not affect the determination of

the taxpayer's taxable income or the calculation of income tax liability to be levied on the taxable income. Instead, each dollar of an eligible charitable gift made by the taxpayer would trigger a tax rebate, which could be used to offset part of the taxpayer's liability.

### **What would be the likely effect of a switch from a deduction-based system to a rebate-based system?**

It is not clear. Available empirical evidence actually suggests that total contributions for a given revenue loss would fall if the deduction was replaced by a rebate.

### **What is the experience overseas?**

New Zealand replaced its deduction system with a rebate system in 1977. Since then, the rebate rate has been set at 33 percent of the eligible gift, while the limit on tax savings has been set at \$200. A deduction has been retained for corporate taxpayers, which are subjected to a single flat-rate tax.

The most recent country to move from a charitable deduction to charitable rebate is Canada, which made the switch in 1988. The rebate provides a 17 percent rebate for the first \$250 of eligible gifts and a 29 percent rebate for the balance in excess of this threshold. Gifts not claimed for credit in a year may be carried forward for up to five years.

**The Tax Department representative indicated clearly at the Sydney seminar that now the tax structures and self assessment system are in place, they intend to review the tax expenditure area, including charitable deductions. He also indicated their preference would be against deductions in their current form because of the hassles.**

### **What is your view?**

I think his statement was clear enough.

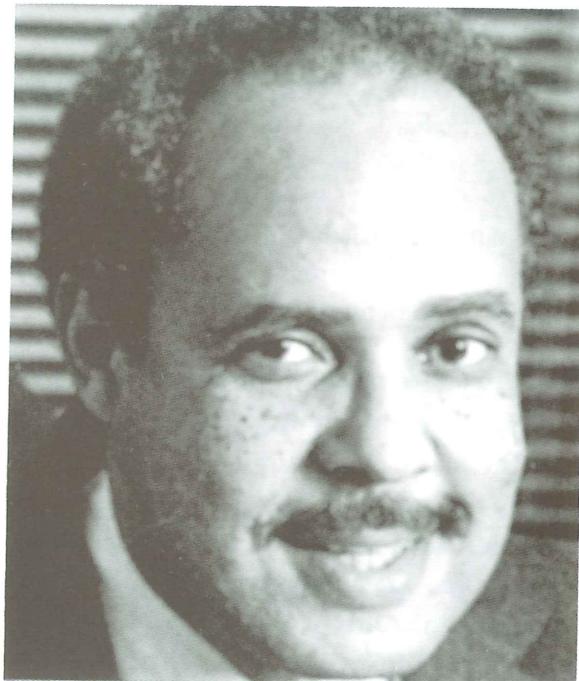
# The Council on Foundations

## Philanthropy into the '90s

The Council on Foundations is a membership organisation, along similar lines to the Australian Association of Philanthropy, which was founded in 1949 to promote and strengthen organised philanthropy.

The Council represents the concerns and interests of grantmakers to public policymakers, the media and the general public.

Through conferences, publications, educational activities, information services and special programs, the Council works closely with its members to promote responsible and effective grantmaking; to secure and maintain public policy supportive of philanthropy; to enhance the understanding of organised philanthropy in the wider society; to support and enhance co-operation among grantmakers; and to promote the growth of organised philanthropy both in the United States and internationally.



President and Chief Executive Officer of the Council of Foundations, James A. Joseph.

In 1990, the Council's membership reached 1,202 with 1,982 individuals from member organisations participating in Council workshops and committees and 1,924 attending the 1990 Annual Conference in Boston.

According to the President and Chief Executive Officer, **James A. Joseph**, there are six major trends likely to shape the future of organised philanthropy. The first two will have a special impact on the context of philanthropy, the third and fourth on the content and the last two on the concept.

### The Changing Context of Philanthropy

#### 1. *Globalism*

The changing boundaries of society are changing the boundaries of philanthropy.

We see large aggregations of new wealth in Asia, the emergence of Foundations and Voluntary Associations in Eastern Europe, a new professionalism among Foundations in Western Europe, new Foundations springing up in the developing world, and members of the Council on Foundations coming from six continents.

People throughout the world are coming to believe that individuals acting independently of government can make a difference in the life of a community or a culture.

They are taking matters into their own hands because they are convinced that while some governments in some parts of the world are working well for some of their people, few governments anywhere are working well for all of their people.

In many societies, people are seeking not only a new relationship between those who govern and those who are governed, but they are rethinking the obligations of citizenship and the role of non-governmental agencies.

## 2. Pluralism

The changing demographics of our society are changing the demographics of philanthropy.

We now know that the concern for neighbour — the forms of benevolence that promote the well-being of others — has no cultural boundaries. The charitable impulse is triggered whenever people see themselves as part of a community - whether it be a family, the neighbourhood or the nation.

And as the notion of community expands, so does the scope of philanthropy.

## The Changing Content of Philanthropy

### 3. Environmentalism

In the 1990s, we are likely to see the transformation of the emphasis on national patriotism into a new form of earth patriotism in which humanity seeks to live at harmony with itself, with nature, and with the cosmos.

The emphasis will be on not one environment, but three:

- The natural environment with its creeping deserts and declining rain forests.
- The social environment in which almost a quarter of the world's population is inadequately housed, with between 700 million and one billion living in abject poverty.
- The moral environment of human values that directs our relationship to each other, to nature and the planet.

There will be increasing opportunity to form coalitions between those concerned about ecology and those concerned about equality, as the world's pre-occupation with defence and cold war issues is replaced by a worldwide concern with our environment.

### 4. The Renaissance of the Arts

John Naisbitt, author of *Megatrends 2000*, is predicting that during the 1990s the arts will gradually replace sports as society's primary leisure activity.

While this is one considered view, there are signs that something new is happening in our search for the meaning of life.

There is a spiritual quest that is searching for meaning in cultural history, music, dance and other art forms. This has led to an arts boom that is being heavily subsidised by business as corporations turn to the arts to promote their products, using advertising and public relations as well as charitable dollars.

We will be called on to ensure our priorities reflect this renaissance of the arts, but unless we do so in ways that respond to internationalism and multiculturalism, we may find the good we do is negated.

## The Changing Concept of Philanthropy

### 5. Philanthropy and Politics

In the United States in the 1980s, our concern with public policy was primarily one of self-preservation - developing new incentives or eliminating old disincentives to philanthropy.

But despite the long discussion within regulatory agencies about what constitutes lobbying, I fully expect that in the 1990s we will be asked increasingly to share the benefits of our research and other insights that can inform and enrich the public policy process.

It is, however, in our dealings with other communities and cultures outside the United States that we are most likely to see a very different understanding of the relationship between philanthropy and public policy.

I was reminded frequently during visits to South

(Continued overleaf)



Africa and the Soviet Union for example, that while the effort to separate philanthropy from politics is appropriate in some societies, no such distinction is possible in others. In the rush to a civil society, the pervasiveness of the political culture can be found in almost every non-governmental project.

### 6. Ethics and Values

While philanthropic institutions will be asked to respond to the increased concern with ethics and values in the larger society, more and more of our colleagues will be seeking guidance on how to deal with ethical dilemmas in our own field.

There will be an increased need in the 1990s to examine the responsibilities of donor organisations as moral environments and moral agents, asking not only what values should we seek to conserve, but what values should we seek to practise.

Just as American philanthropy in its first two centuries

was a product of the tradition and values of a mixture of immigrant groups largely from Europe, so will it evolve and change in the next century.

As the new groups redefine a country's culture, so will it be likely to redefine that country's philanthropy.

We can expect much more emphasis on the relationship between the giver and the receiver. In many of the cultures now converging into a universal philanthropic ethic, how you give

matters at least as much as what you give; those who receive are not less than or different from those who give.

So when you engage in the act of giving, you do so in such a way that the humanity and equality of both the giver and the receiver are acknowledged and affirmed.

While the last few years have seen a dramatic upsurge in organised philanthropy, it is important to remember that the new movements and emerging institutions have deep historical roots in virtually every part of the world. The idea that of all the virtues to be made part of each of us the greatest is charity, comes from Moses as well as Mohammed; Jesus as well as Buddha.

*James A. Joseph is President and Chief Executive Officer of the Council on Foundations, Washington D.C. The above contribution was taken from his Message to the Council as part of their Annual Report for 1990.*

# Formation of the Association of Charitable Foundations

## United Kingdom 1990

Formally founded in 1990, the *Association of Charitable Foundations* in the United Kingdom has had a long gestation and a distinguished parentage. Its immediate genesis was a proposal in 1985 that the then recently formed *Charitable Trusts Administrators Group (CTAG)* should employ its own staff.

Another antecedent, the *Foundations' Forum*, had been in existence for twenty years, its membership comprising the directors of the best-known UK Trusts.

The numbers had been deliberately limited to about 35 in order to provide a framework for contact, without the necessity for any co-ordinating, representative or public role.

Although the new Association's planning group had its roots in CTAG, it was agreed at an early stage that the new body must be justified and supported in its own right.

A precipitating factor in developing a clear voice for Charitable Foundations was a clause in the 1986 Finance Bill. Designed to prevent abuse of tax privileges accorded to funds held for charitable purposes, its effect would have been to constrain the activities of 'proper' Foundations in ways not intended by the drafters of the Bill.

Although 'ad hoc' representation by many individuals averted what could have been a crisis, the lessons were clear. Neither the Forum nor CTAG had the secretariat or authority to respond with the speed required.

The four main purposes outlined below were based on recent experience as well as future aspirations.

To further the work of charitable grant-making trusts and foundations for the public benefit by:

- Establishing common ground from which members can speak to government, local authorities, and the business and voluntary sectors.
- Seeking to improve the public's understanding of what Trusts and Foundations can and cannot do.
- Learning from each other's experience and good practise.
- Encouraging the formation of endowed grant-making Foundations.

For the first time, a body with corporate rather than individual membership and the participation of Trustees as well as staff was in the making.

**'...a long gestation and a distinguished parentage.'**

In order to establish, twelve member Foundations agreed to make substantial grants to the Association over the first three years, during which Trusts and Foundations would be recruited into membership in sufficient numbers for it to become entirely funded by members subscriptions thereafter.

The founding Chairman is **Sir Harold Haywood, KCVO, OBE, DL**, Trustee of the *Charities Aid Foundation* and the first Director is **Nigel Siederer**, who had previously run the *Local Development Agencies Fund* at the *National Council for Voluntary Organisations*.

# The Inaugural Paul Lowin Awards



(From right) Max Dumais with Sir Laurence Street and the winner of the inaugural Paul Lowin Award, Julian Yu.

**P**aul Lowin died in Vienna in 1961, leaving a hand-written will which outlined his dream of encouraging excellence in music composition.

Born in Czechoslovakia, he appears to have settled in Vienna in the thirties, immigrating to Australia in 1939. He became a naturalised citizen in 1948. For about 20 years he carried on a business in Sydney as a wholesale dealer of cloth and dry goods, under the title of *Swedish Handweaving Co.*

Like so many such philanthropists, very little can now be reconstructed about the man, but his vision will live on in this spectacular and constructive way.

He left Australia and settled again in Vienna in 1959, retaining his Australian Citizenship. His great passion in life, however, appears to have been music.

In 1991, Paul Lowin's dream has become reality through the Charitable Trust established from the proceeds of his estate. His initial bequest of \$39 000 has since grown to \$400 000 under the watchful stewardship of *Perpetual Trustees*.

The inaugural *Paul Lowin Award* was presented to Julian Yu by the Hon. Sir Laurence Street A.C.K.C.M.G. Julian Yu is another newcomer to Australia, but this time from mainland China. It seems appropriate that one immigrant from the old world should establish a Trust that recognises the contribution of another new citizen to Australia in these first awards.

The award of \$45 000 for the best orchestral work and \$20 000 for the best song cycle composition are the most generous music competition prizes in Australia. The Trust will continue to hold the Awards every 3 years in Australia and every 12 years in Austria.

As part of this event, Qantas also announced the Qantas Youth Award which recognises the most promising young composer in the competition.



(From right) Max Dumais with composer, Martin Wesley-Smith and pianist, Sumiko Yamamura.

# Fourth National Conference and Trade Exhibition

## Australian Affiliation of Voluntary Care Associations

The *Australian Affiliation of Voluntary Care Associations*, a national organisation representing more than 1100 nursing homes, hostels and retirement villages in the church and charitable homes sector, will be holding its **Fourth National Conference and Trade Exhibition**.

**WHERE:** Radisson President Hotel  
Queens Road Melbourne

**WHEN:** 10-13th November, 1991

### SPEAKERS:

**Dr David Oliver**  
Vice President of Rehabilitation  
Chronic and Long Term Care Services  
Heartland Centre, Missouri USA

**Dr Don Edgar**  
Aust. Family Institute of Family Studies

**Ms Beryl Jamieson**  
General Manager  
Home Care Service of NSW

**Rev. Ray Cleary**  
Executive Director  
Anglican Homes for Elderly People

**Dr Elizabeth Ozanne**  
Senior Lecturer, Social Work  
University of Melbourne

**REGISTRATION FEE:** \$445

**DAY REGISTRATION:** \$160

### ENQUIRIES:

Kathy Sheehan Tel: (06) 285 3000

# How To Approach Trusts and Foundations

## A Grant Seeker's Workshop

**Sponsored by the Australian Association of Philanthropy**

**VENUE:** CAE City Conference Centre  
Level 4, 253 Flinders Lane

**DATE:** Thursday, 24 October 1991

**TIME:** 1.30 - 5.00 pm

### SPEAKERS:

**Genevieve Timmons**  
Lance Reichstein Foundation

**John Sullivan**  
Perpetual Trustees

**Lisa Trood**  
Victorian Health Promotion Foundation

**COST:** \$75 or \$100  
Includes a copy of the *Australian Directory of Philanthropy* (normally \$34.95)

I/we wish to enrol in \_\_\_\_\_ places for the Workshop.

**Name:** \_\_\_\_\_

**Position:** \_\_\_\_\_

**Organisation:** \_\_\_\_\_

**Address:** \_\_\_\_\_

**Suburb:** \_\_\_\_\_ **Postcode:** \_\_\_\_\_

**Telephone:** \_\_\_\_\_ **Fax:** \_\_\_\_\_

Enclosed is a cheque for \$

**Return to:** The Australian Association of Philanthropy  
8th floor, 20 Queen Street, Melbourne 3000.  
Enquiries: (03) 614 1491



# The Australian Association of Philanthropy

## The History of the Association

The Association was formed as a national body in 1975 to represent the shared interests of trusts and foundations and to represent philanthropy to government and the community.

The establishment of a permanent secretariat in 1988 was a further indication of the Association's intention to be a strong, professional organisation representing both large and small trusts and foundations from both the private and corporate sectors.

## What the Association does

The Association offers a range of programs and services which reflect the diverse interests and needs of its members. Specific activities include:

- Provision of information to members and the broader philanthropic sector through a quarterly magazine.
- A growing resource library of local and overseas information which is available to members, potential philanthropists and the community sector.
- Regular discussion groups/workshops for members on issues relevant to philanthropy or trust operations.
- Assistance to individuals and corporations planning to set up trusts and foundations.
- General assistance through information services to applicants for grants.
- Research into areas relevant to the philanthropic sector.
- Monitoring legislative activity.
- Communicating to the general public about the philanthropic world.

## Statement of Purpose

- To advance and protect the common interest of private and corporate philanthropy in Australia.
- To scrutinize any proposed Federal or State legislation likely to affect private or corporate philanthropy and to take such action as the Associate may think is desirable.
- To foster co-operation between philanthropic trusts, individual and corporate donors throughout Australia.
- To encourage and facilitate exchange of information between the members on the understanding that where appropriate it will be regarded as confidential.
- To improve communication and understanding between the members of the Association and the community at large.
- To assist in the identification of areas of need in the community.
- To develop and maintain contact with similar overseas bodies.
- To inform members of trends and developments on issues relevant to philanthropy as a result of local or overseas research.
- To act as a general service organisation for members in ways which they may require.
- To seek and consider suggestions from members of the Association and other interested bodies for the advancement of philanthropy.

## Members of the Australian Association of Philanthropy

ANZ Executors & Trustee Co Ltd  
Coles Myer Ltd  
Esprit Cares Trust  
Helen M Schutt Trust  
Howard Norman Trust  
L.E.W. Carty Charitable Fund  
Lord Mayor's Fund  
Lotteries Commission  
Mayne Nickless Ltd  
Monash University  
Mr. Robert Kerr  
Mullum Trust  
Perpetual Trustees Victoria Ltd  
Pethard Tarax Charitable Trust  
Queensland Community Foundation  
Ray & Joyce Uebergang Foundation  
R.E. Ross Trust  
Sir Albert Sakzewski Foundation  
Sir Donald & Lady Trescowthick Foundation Ltd  
Sunshine Foundation  
The Alexander Miller Trust  
The Andrews Foundation  
The Australian Bicentennial Multicultural Foundation  
The Bicentennial Youth Foundation Inc.  
The Brash Foundation  
The Dafydd Lewis Trust  
The Danks Trust  
The Ern Hartley Foundation  
The Felton Bequest  
The Flinders Fellowship  
The Flora & Frank Leith Charitable Trust  
The G.M. & E.J. Jones Foundation  
The George Alexander Foundation  
The Green Hills Foundation  
The Gualtiero Vaccari Foundation  
The Holmes A Court Foundation  
The Hugh Williamson Foundation  
The Ian Potter Foundation  
The Lance Reichstein Charitable Foundation  
The Melbourne Anglican Foundation  
The Menzies Foundation  
The Miller Foundation  
The Myer Foundation  
The Sidney Myer Fund  
The Small Change Foundation  
The Stegley Foundation  
The Truby & Florence Williams Trust  
The William Buckland Foundation  
Uniting Church in Australia  
University of Melbourne  
Van Cleef Foundation  
Victorian Community Foundation  
Victorian Health Promotion Foundation  
Victorian Women's Trust Ltd  
W.L. Allen Foundry Co Pty Ltd  
Western Institute Foundation  
Western Mining Corporation Ltd



Emergency aid in every disaster

### *What is the Salvation Army?*

The Salvation Army is, firstly, a branch of the Christian church with a recognisable form of worship and doctrine. The Salvation Army is a religious and charitable movement providing a range of social and community services.

### *What social work is the Salvation Army involved in?*

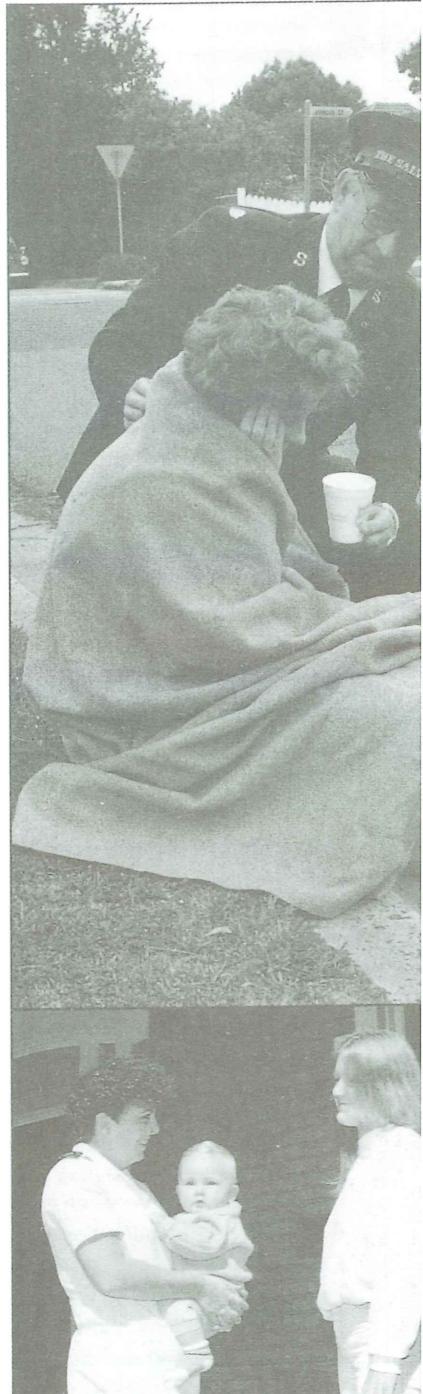
The Salvation Army provides centres for assistance to the young, the old, the homeless, the destitute, the unemployed. It provides assistance in disaster relief, drug and alcohol rehabilitation, prison and hospital visitation and many other forms of help to the needy.

### *How does the Salvation Army finance their social work?*

The Salvation Army spends many millions of dollars in social and community work each year. The 1991/92 budget, for example, is \$124 million, to which the Red Shield Appeal makes a significant contribution. The goal for the 1991 Red Shield appeal is \$31 million. The Salvation Army church operations are financed by its members.

### *What is the significance of the Red Shield?*

The Red Shield is the Salvation Army's symbol of service for its vast network of social services. Red Shield work is most publicly recognised in times of natural disasters and civil emergencies.



A refuge for women and children



**Thank God  
for the Salvos.**