

philanthropy

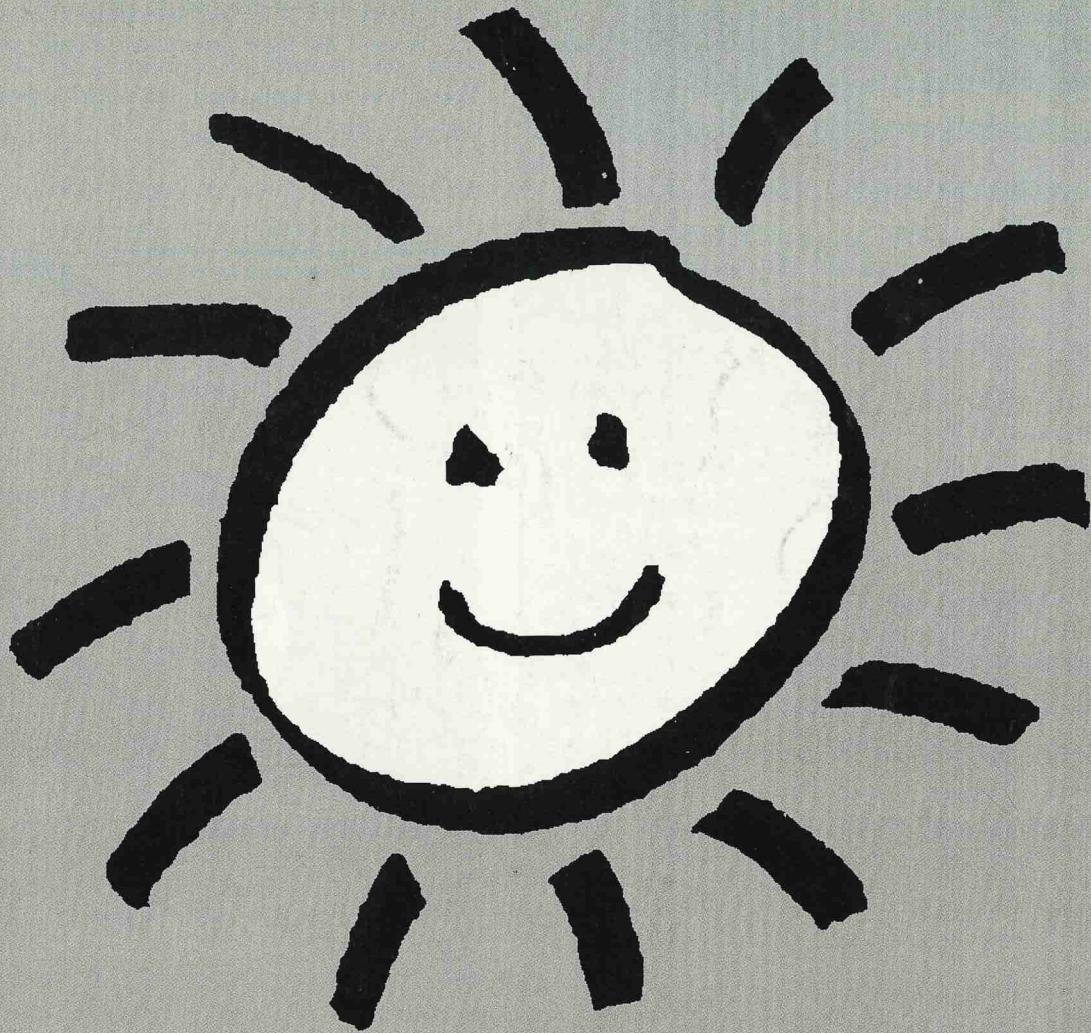
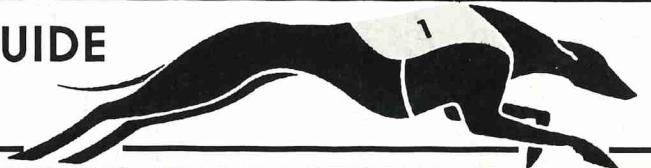
The Journal of the Australian Association of Philanthropy

12

AUTUMN 1992

THE GOLD GREYHOUND FORM GUIDE

SHEPPARTON GREYHOUND RACING CLUB



BE DIABETES WISE



INTERNATIONAL
DIABETES
INSTITUTE

HEALTHY FOOD & EXERCISE



Vic Health
Foundation

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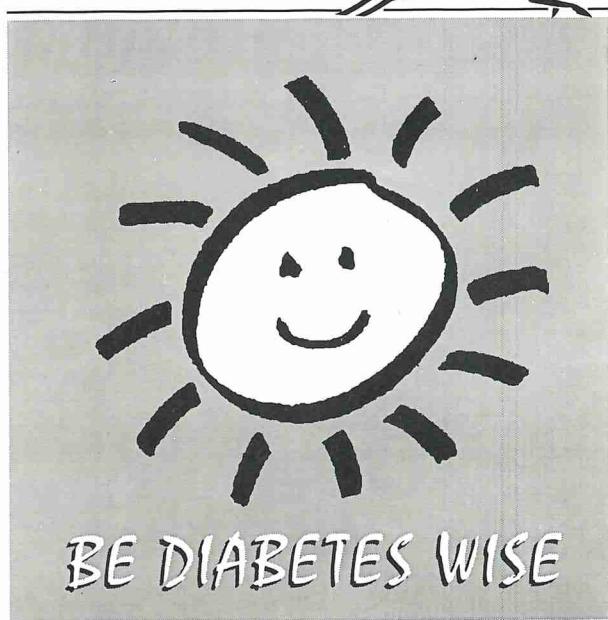
Cover Note

Vic Health Promotion Foundation and the International Diabetes Institute go to the dogs!

500,000 Australians have diabetes and half of them don't know it. With the support of the Victorian Health Promotion Foundation, the International Diabetes Institute takes the opportunity provided by the form guides at the greyhound meetings as well as the harness racing to promote a health message.

The cover is replicated with kind permission of Greyhound Form Pty Ltd.

THE GOLD GREYHOUND FORM GUIDE
SHEPPARTON GREYHOUND RACING CLUB



HEALTHY FOOD & EXERCISE



Disclaimer

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

Editorial

The Association's Annual General Meeting has to thank Marion Webster at the ANZ Executors & Trustees for her role in organising a visit by our guest speaker, Eugene Struckhoff - a former President of the Council on Foundations in the United States and a major published expert on the development of Community Foundations.

"Struck", as he prefers to be known, has been responsible for assisting over 100 such foundations to get underway.

At a conservative estimate of over \$100 million each in assets, he is admirably known as philanthropy's "Billion dollar man".

In the last edition, reference was made to the fact that a city the size of Melbourne should be home to more philanthropists. In New Hampshire, where 'Struck' ran a private foundation of \$16 million, the Community Foundation he established has raised assets of more than \$90 million on a head of population less than one million people. There is a message there somewhere, and according to "Struck" it is the fact that philanthropy needs a vehicle to succeed.

Victoria is the home of private trusts and foundations in Australia, with over 80 per cent situated in Melbourne. At an informed guess, one would have to conclude that the Probation laws that were existent at the time of this major growth was an incentive which played a key role.

Given this scenario, there may be a need to cast around for new mechanisms or, indeed, to take up "Struck's" gauntlet to get a community foundation movement up and running in Australia.

One other proposal of interest is the developing role of 'Life Insurance' as a means of deferred giving to philanthropic causes. With this mechanism, a person can take out a life insurance policy which qualifies as a gift to a tax deductible cause, and obtain a tax deduction.



These proposals are promoted as a means of enabling individuals becoming a major patron of their favourite cause and the amounts involved are at levels normally reserved for the wealthy. In some charitable organisations, it is not unknown for six or more staff to contribute to a life policy taken out by a colleague, with the organisation named as the beneficiary.

What an interesting opportunity for Trustees to consider. After a life-time of service in administering a Trust to the benefit of the community, this mechanism of a Life Insurance policy would allow them a tax deductible opportunity to replenish the corpus of the Trust as well.

This month's edition is taken up with much of the findings of my recent study tour and deals with the issue of corporate giving. Mark Vermillion's article sums up much of the development of this form of giving and emerging trends within the United States.

My speech to the Annual General Meeting poses the question is 'Corporate Philanthropy dead in Australia' and is meant to generate a debate of some substance. Examples of the work of two corporate members of the Association, Mayne Nickless and the W.L. Allen Foundry, are included to balance the picture.

As the dust settles on this year's Annual General Meeting the challenges facing the Association in the coming year include the quest for relevance to our membership, the scramble for funds for our existence and, the imperative of a vision which will sustain and direct our philanthropic endeavours into the next decade.

Max Dumais

1991 Alice Bale Art Awards Presentation

The Alice Bale Scholarship, one of Australia's richest Art Awards, was officially presented to the winner, Mr Peter Marshall, at a function in Melbourne on November 20th last year by Sir William Dargie.

Miss Bale, a highly distinguished artist of the first half of this century, died in 1955.

Her Will directed Perpetual Trustees Victoria Ltd to apply the residue of her Estate for the purpose of establishing an Art Scholarship bearing her name.

However, in 1979 it was decided through a court application to vary the terms of the scholarship, as the upkeep of the Kew property was limiting its value.

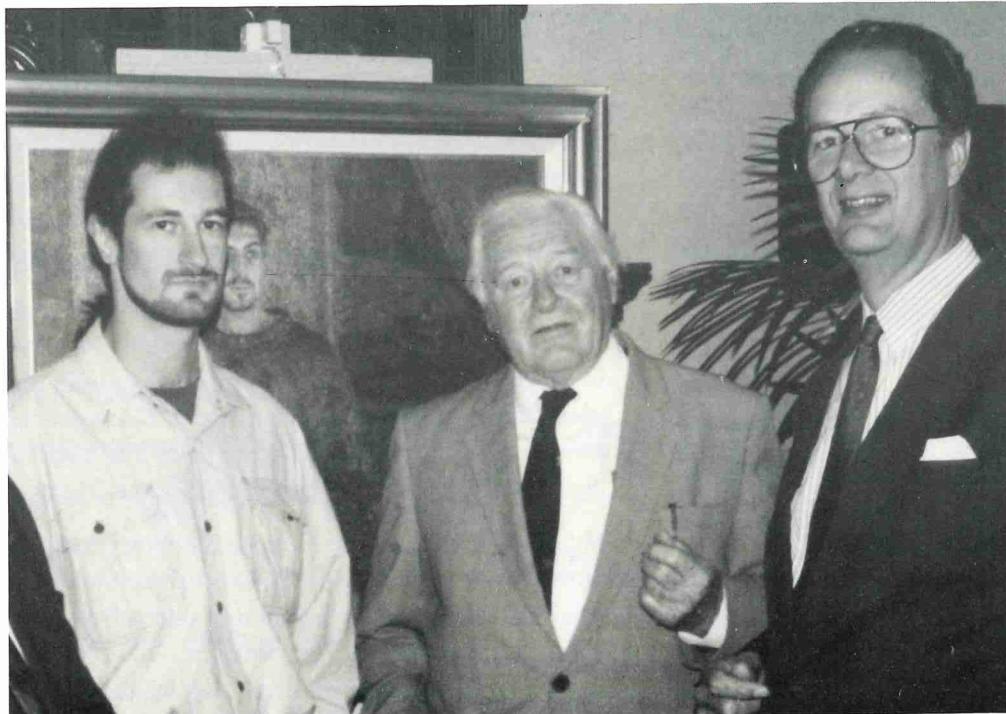
As a result, the property was sold and the Alice Marian Ellen Bale Art Foundation Trust was established.

The Art Foundation Trust provides a travelling scholarship or scholarships to enable Australian artists to study the works of old masters.

The first prize of \$4,000 for the Oil Painting Award went to Lee Machelak and second prize to Alfred Engel.

The 1991 Award attracted over 300 entries from all over Australia with Peter Marshall, who has been studying at the Julian Ashton Art School in Sydney, taking out the \$40,000 travelling scholarship.

In the Watercolour Section John Dudley



(L-R) Scholarship Winner Peter Marshall, Sir William Dargie and John Sullivan of Perpetual Trustees

The scholarship's primary objective is to encourage promising artists in representational or traditional art. It enables winners to visit and familiarise themselves with the great galleries, monuments, schools and studios of Europe.

Originally the award allowed the winner to reside in the Estate's property in Walpole Street, Kew, Victoria.

was awarded first prize and Greg Allan picked up second prize.

Special cash prizes were made to five artists:

- Greg Creek
- Anne Wallace
- Judith Perrey
- Richard Bacon
- Ian Chapman

South Port Youth Services Trains a Community to Care

Fifteen year old Keith was not popular with his peers. He was often stirred about his weight, social clumsiness and personal hygiene, and spent most of his time hanging out with much younger kids at an inner-Melbourne youth centre.

Keith was referred to South/Port Youth Services (SPYS), where he took part in their nine-day Wilderness Program.

During those nine days, Keith persevered with difficult physical challenges such as rock climbing and caving. He gradually earned the respect of the other participants, especially during activities such as bush walking and white water rafting, where his physical strength was an asset to the group.

Keith successfully completed all aspects of the program and has now become involved in a SPYS youth group, where he takes on leadership activities among people his own age. He has also joined a rugby club where he can use his size to his advantage, improve his fitness, and has been motivated to cut down his smoking and widen his peer group.

Successes like these are wonderful, and although the manager of SPYS, John De Petro, is the first to admit it's not possible to win every time, he believes cases such as Keith's demonstrate clearly that youth work can achieve great results with the correct focus.

SPYS was developed in 1987 by community workers, residents, local councils and the Melbourne Citymission to deal with the major issues facing young people in the traditional working-class suburbs of Port and South Melbourne.

The initiative was started by Ces Shevells, of Melbourne Citymission, and then developed and broadened to its current form by Paul McKessy, who is now Regional Manager (South) for Melbourne Citymission.

Unlike other more traditional youth services which relied on welfare services and institutionalisation, SPYS wanted to focus on local families and the community to meet the needs of adolescents.

The idea was to bring the young people back into the community, and encourage the community to look after its own.

Now, nearly four years later, the program is working well, offering a model for other communities to adopt.

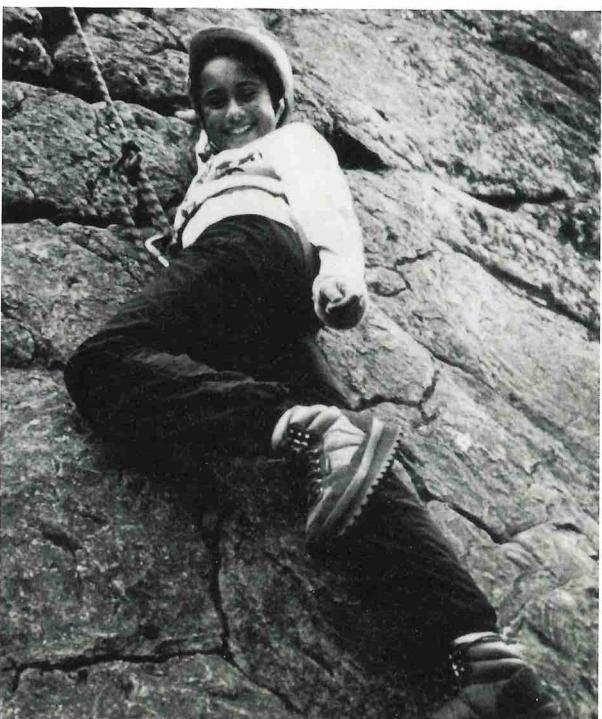
"The unique thing about SPYS is that it works on an integrated approach, bringing a range of programs together under one umbrella.

We offer programs that meet needs as diverse as emotional support, housing, health services and prevention services for the community.

We are really taking the holistic approach, within a caring community context," said Mr De Petro.

The range of programs is tailored to meet the needs and utilise the facilities of the inner-city communities in which SPYS operates.

(Continued overleaf)



Abseiling, white water rafting and caving are just some of the activities participants on the Wilderness Program will take part in.

Although situated just minutes from Melbourne's central business district, the face of Port and South Melbourne is quite distinct.

Unemployment, neglect and poverty are just some of the problems teenagers in these communities have to face.

"There is a saying around here that you can take the kid out of Port Melbourne, but you can't take the Port out of the kid.

I don't entirely agree with that, but it is a fact that many of the people here are hard-core housing commission people who have been the recipients of welfare for many years.

Inevitably, many of the families of young people have been fractured, many have received limited economic or emotional support.

Kids in these circumstances can have low self-esteem, and this in turn often leads to drug-taking, truancy and the like," Mr De Petro said.

"To top it off, their parents' jobs in the Melbourne docks area, which they assumed they would inherit, are no longer there.

Currently, many of the kids are left aimlessly wandering around the neighbourhood, relying on welfare.

"Unfortunately, it is a said fact that those who depend on the welfare system as children and adolescents require the system to support them later on in life. What SPYS is about is trying to break that cycle of dependence."

The services SPYS offers are broken down into five individual programs - Intensive Support, Wilderness, Community Accommodation Placement Scheme, Youth Development and Early Adolescent Unit.

Some of the programs respond to immediate needs, such as temporary accommodation and counselling for a young person who has decided to leave home.

There is always a focus on keeping families together and keeping the kids out of the welfare system wherever possible.

Other programs are preventative. They focus on the structural inadequacies and greater well-being of society and take a long term approach to the problems facing today's youth.

In 1988, SPYS attracted the interest of major transport, security and health care company, Mayne Nickless Ltd., which announced it would back one of these programs to the tune of \$250,000 in annual grants of \$50,000.



Through SPYS young people have access to a range of services, including accommodation, counselling & youth development activities



The Wilderness Program uses outdoor activities to build self-esteem and confidence among young people to improve their communication and decision-making skills.

The money has been used to establish the Youth Development program, which provides a range of activities aimed at tackling some of the worst problems facing teenagers in deprived inner city areas, and aims to reach them before they resort to drugs, alcohol or crime.

"Mayne Nickless is very proud to be a supporter of SPYS, which we believe is playing a significant and in many ways unique role in providing a variety of support services to the youth of the area," said Mayne Nickless' Director of Personnel and Corporate Affairs, Hugh Davies.

"The Youth Development project is designed to attack the causes of the current problems, not just the symptoms. We are providing the resources for youth workers to stand back and take a good look at the problems, network with each other and develop some pro-active programs.

"We also wanted to see whether by working with a professional agency such as Melbourne Citymission and offering some of our management skills, we could help in the evolution of a more effective model for sustaining programs addressed at youth alienation.

"SPYS was already working with a network of other youth workers, maybe we could support its focus on pro-active initiatives and its increasing reliance on the local community, rather than on Government funds."

While the Youth Development Program has successfully utilised Mayne Nickless' financial support to run activities such as:

- camps
- youth groups
- leadership training programs
- Rage Without Alcohol activities
- a young people's feature page in a local paper

It has also been eager to become self-supporting, aware that the company's financial support had a definite time limit.

When Mayne Nickless announced it would support SPYS, we made it very clear that our financial support was for a limited time only, and that the program would have five years to develop alternative funding sources," said Mr Davies.

Determined that the program would not fall by the wayside after the five years were up, Paul McKessy established a Local Area Board, drawing on interested members of the community, to support and advise the program, as well as raise funds.

(Continued overleaf)

"Melbourne Citymission would love to provide more preventative programs, and that's really where non-Government organisations such as Mayne Nickless come in," John De Petro said.

"The funding we receive from Government is often limited to providing direct services for today.

If we used this money for developmental work, it would essentially be sacrificing today's youth for the sake of tomorrow's.

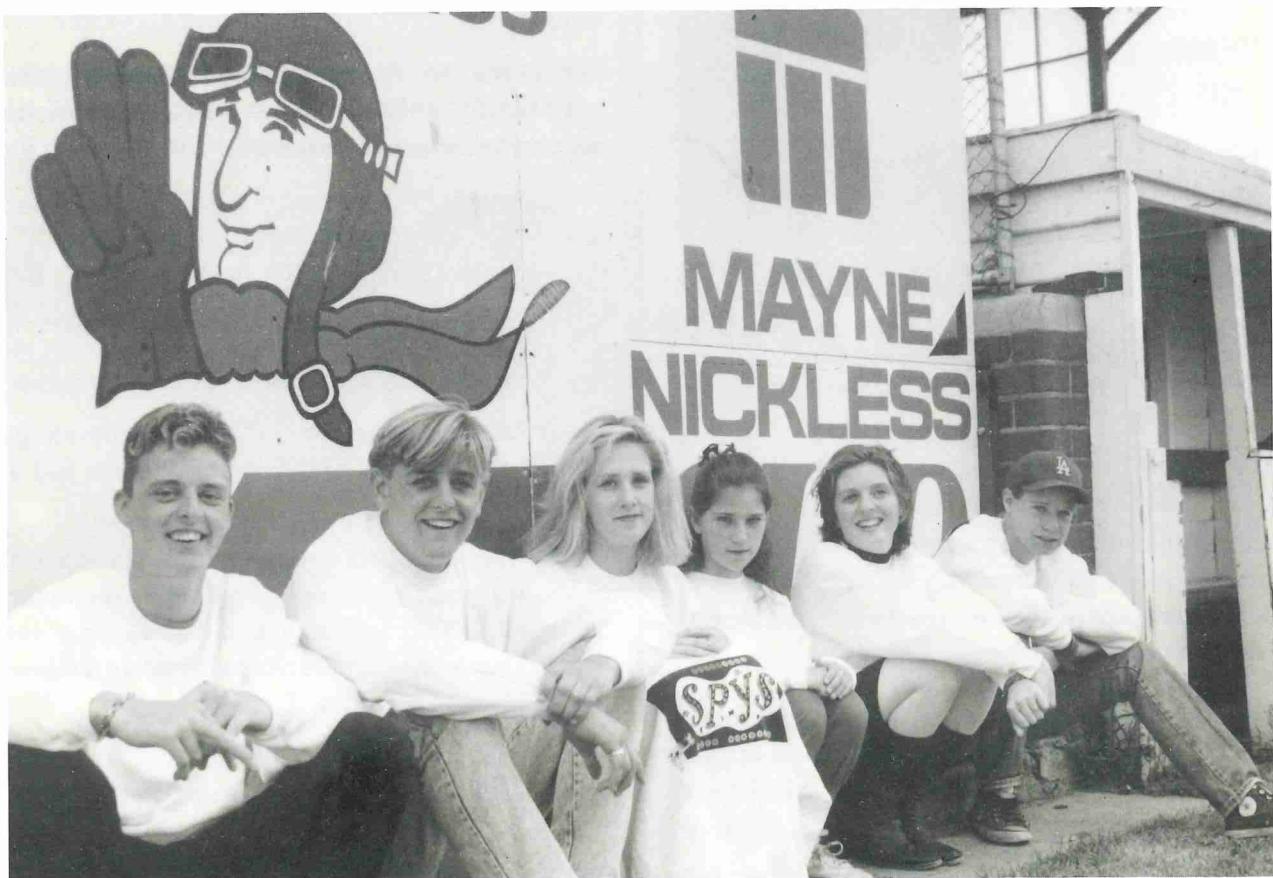
But funding from corporate sources such as Mayne Nickless can be channelled into pilot programs focusing on the greater well being of society."

In fact, Mayne Nickless' involvement has had a flow-on effect for SPYS, attracting on-going funding from

other business sources, and breaking new ground in the area of corporate support. Encouraged by Mayne Nickless' involvement, Perpetual Trustees decided to support SPYS, funding two preventative projects:

- a drug and alcohol prevention project, which is part of the wilderness experience, and
- an adolescent community placement scheme, providing home-based accommodation and care for youth in need.

"We now have a variety of funding sources, and I think we offer a good model for corporate support. In the past, the hard thing about corporate support has been to show bottom line benefits to the supporters, however it can be done," Mr De Petro said.



Encouraging the community to look after its own is one of the main aims of South/Port Youth Services. Participants are seen here with care-giver, Mandy, (second from right) outside local Mayne Nickless business, Wards Express

"We make the assumption that our developmental programs improve young people's self-esteem and skills, so we measure our success in that area in terms of how many people participate in the programs, and in terms of changes in their attitudes and expectations."

"With our care programs, the benefits can more easily be measured. The disclosed figure to keep a young person in statutory care is \$35,000 per child per year.

**"We support families
with three or four kids
who would otherwise be
entering care ..."**

"We support families with three or four kids who would otherwise be entering care, so we're saving the tax payers of Australia considerable thousands of dollars, as well as providing a sense of family for those kids, and I don't know how you put a dollar figure on that."

"Of course, we're not naive, and if it is damaging or dangerous for a young person to remain with their family, for example in the case of sexual abuse, we will act and provide notification to the authorities, or whatever is appropriate.

But, generally speaking, the best place for kids is at home with their family, and that not only saves dollars in the short term, but more importantly it creates more productive and happy members of the community."

Although the unique approach of SPYS has met with success in changing the lives of many 'at risk' adolescents, it has also had its fair share of failures, as in the case of John, an outwardly confident 15-year-old with a winning smile and a swag of tall stories.

- He had ability at school, John had very low commitment, and was referred to SPYS, where he, like Keith, participated in the Wilderness Program.
- He made and extended friendships with others in the group, however, these friendship ties were broken after the trip, when John was caught out over a number of his stories.
- He later stole from a group member's mother, and eventually withdrew from the remainder of the program and other youth groups he had become involved in.
- He went on to increase his experimentation with alcohol and drugs, including marijuana and AVIL travel sickness pills, which cause hallucinations when taken in high doses.
- He also withdrew from school, stole money from his family and left home.

"We do have those who drop out, and at times it's difficult for the youth workers. They have to focus on what they've achieved just to get through.

It can be very depressing work, but the successes, when they come, are absolutely wonderful.

These young people have a real ability to help each other, and when you see someone who may have started out as a withdrawn victim of abuse taking charge of their life, becoming involved in group activities, and then helping other kids, it's wonderful," said Mr De Petro.

For further information contact:

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Photographs in this article appear courtesy of Mayne Nickless.

Diabetes and the Role of the International Diabetes Institute



(L-R) IDI Dietitian Sharon Pelham, Gabriel Gate and IDI's Director, Professor Paul Zimmet at the video launch of "The Art of Low Fat Cooking".

Most people know someone who has diabetes. Few realise that it is a major cause of death by disease in Australia.

In official figures it is under-reported as a cause of death because it is not recognised as a contributing factor in many cases of heart disease, stroke, kidney disease and others.

In Australia, five hundred thousand people (3% of the population) have diabetes, and two hundred and fifty thousand are not even aware of it.

In Australia, diabetes is:

- the most common cause of adult blindness under the age of 65
- a major cause of kidney failure - 30% of people receiving kidney dialysis treatment have diabetes
- the most common cause of non-accidental below knee amputations
- a significant contributing factor in heat stroke, nerve and a number of other diseases.

As countries adopt modern lifestyles (decreased physical activities, obesity, change of diet), diabetes is becoming a serious problem.

Lifestyle diseases like adult-onset diabetes may soon be - if they are not already - an epidemic, with many cases undiagnosed and diabetes complications certain to be a major burden to the sufferer and the health services.

The International Diabetes Institute is a recognised leader in the

study of diabetes and, is a WHO (World Health Organization) Collaborating Centre for Diabetes and Health Promotion for Non-Communicable Diseases.

- Many full scale medical surveys have been undertaken in the last 17 years by the Institute in the region and these continue to reveal the alarming dimension of the problems associated with diabetes..
- Consultancies to overseas governments occur on an ongoing basis due to the high degree of specialisation which the Institute has developed and its ability to adopt and adapt to any country's needs.

The good news is that there have been major advances in diabetes education, care and research over recent years which, if implemented, can vastly improve the outlook for the person with diabetes.

At the Institute, we have pioneered a number of these developments, for example, self-monitoring of blood glucose.

The Institute employs a large number of diabetes nurse-educators, dieticians and other health professionals to help implement these advances, and a key approach is to offer as many diabetes-related services as possible within the Institute.

For example, we have developed the capacity to treat a number of the diabetic complications referred to above, on site.

One of the major challenges today is to bring these advances to the many persons with diabetes who are not yet benefiting from them.

In this regard, the Institute has extensive experience in organising and running comprehensive education courses for doctors and other health professionals such as nurses and dieticians from throughout Australia and the region.

**By "educating the educators",
the Institute is making a
major contribution to upgrading
the standard of care that persons
with diabetes from throughout
Victoria, Australia and
the region receive.**

Over the last three years the Institute has received funding from Vic Health Promotion Foundation to sponsor diabetes prevention messages at a number of sporting and arts events. The theme used is "Be Diabetes Wise - Healthy Food and Exercise", as many cases of the major form of diabetes (adult onset diabetes) are in fact preventable through weight control and exercise.

The Institute was awarded the Vic Health - Health Sponsorship Excellence Award in the Arts for 1991.

This Institute treats over 5,000 persons with diabetes and has developed clinical research programmes including those aimed at helping to prevent below-knee amputations and other complications.

The Director, Professor Paul Zimmet, also holds the position of Professor of Diabetes Research, Monash University, where a number of research projects under his direction are also taking place.

Further collaborative research work is undertaken with other Melbourne, Australian and International Centres. Over recent years the Institute has begun to approach Trusts and Foundations. Three general areas are being highlighted as the basis for support:

- equipment items
- clinical research programmes
- basic scientific research programmes based at Monash University.

We ave received support from the Trust Company of Australia, The H & L Hecht Trust, Perpetual Trustees Victoria and the Sunshine Foundation for a new project known as the Diabetes Complications Register.

A major emphasis for this project is the fact that now a lot more can be done to prevent and treat diabetes complications such as eye, kidney, nerve and other diseases which can result from diabetes.

By building up a comprehensive, standardised and computerised diabetes database, we are in a much better position for early detection and treatment of these complications and additionally, to carry out research into them, both individually and in their relationship to each other.

For example, we will be in an excellent position to assess the use of new drugs for the treatment of complications and we are already doing this.

This is a long term project and it is essential to lay the foundations properly as later it will be difficult, if not impossible, to correct errors made at the design stage.

(Continued overleaf)

International Study Tour



Mr. Frank Payne, Executive Director, Lord Mayor's Fund, handing over cheque for \$11,500 to Mr. Ron Raab, Community Development Manager, IDI. The money has been used for the purchase of a Glucose Analyser.

We have also had support from the Potter Foundation and The Lord Mayor's Fund for the purchase of equipment items.

The Howard Norman, Leon Mow and the Elizabeth Eggleston Trusts have supported the Institute in its study of Lifestyle Disorders in Australian Aborigines.

The growth of the Institute has been rapid - from a staff of three in 1975 to 53 currently. Over 70% of the Institute's funding comes from non-Government sources.

The Institute is an independent, not-for-profit organisation based at the Caulfield General Medical Centre, Melbourne. It is affiliated to the Alfred Group of Hospitals.

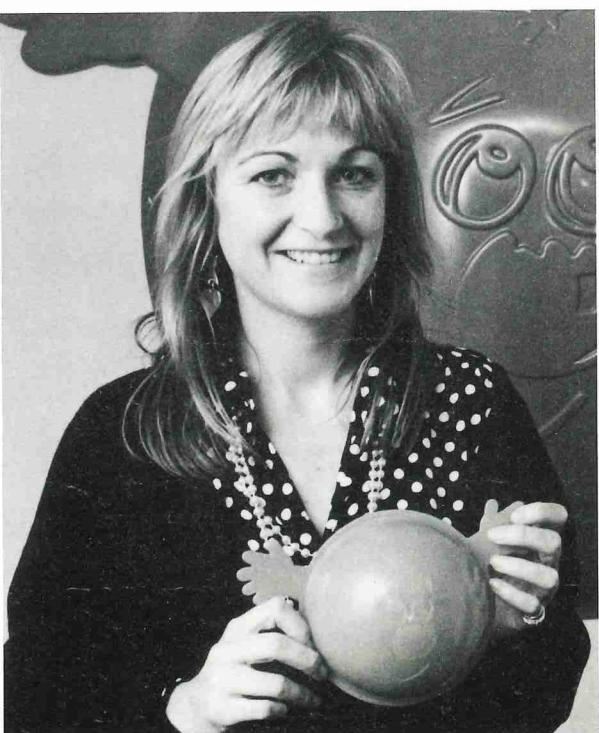
For further details contact:

Mr Ron Raab, Community Development Manager, International Diabetes Institute, 260 Kooyong Road, Caulfield 3162.

Telephone: (03) 523 0044.

The Consulting Manager, Max Dumais visited the United States, the United Kingdom and Canada at the end of last year in conjunction with his attendance at the World Congress on Philanthropy. Part of his findings are included in the speech delivered to the Annual General Meeting and incorporated in this edition on the heading: "Is Corporate Philanthropy dead in Australia?"

His trip included visits to the following companies, 3M, Honeywell, IBM, U.K, Allied Dunbar Insurance, British Telecom, Whitbread Brewery, Business in Community. Other agencies visited included: Council on Foundations, Foundation Center, Independent Sector, Minneapolis Association of Foundations, Association of Foundations, U.K Nuffield Foundation, The Princes Trust, Minneapolis Greater Chamber of Commerce - Keystone Project and Charity Projects, U.K.



Jane Tewson, Executive Officer of the Charity Project - the originators of the Red Nose Appeal. This agency seeks corporate sponsorship to cover administrative costs and raises over 28 million pound for charitable distribution.

Philosophy Helps Foundry to Take Top Prize

W.L. Allen Foundry Company Pty Ltd, which boasts a 52-year history free of industrial dispute, and which is a corporate member of the Australian Association of Philanthropy, has won the 1991 Victorian Enterprise Chamber of Commerce Industry (VECCI)/Qantas Enterprise Award.

The company has also won the manufacturing award for the Melbourne region.

This Foundry, situated in Sunshine in the western suburbs of Melbourne, is a recognised Australian leader in the production of wear-resistant ferrous castings. It produces castings and spare parts for equipment used in mining, power generation, the chemical and fertiliser industry and heavy engineering.

The company's achievements are not confined merely to its foundry operation - it is also a driving force in improving management practices and employee relations in Victoria, if not Australia.

The company is committed to a corporate philosophy of "excellence, caring and sharing" in all aspects of the organisation, according to the managing director, Mr Bob Hayes.

This culture is fostered by making its workforce feel part of "the family", he says.

Mr Hayes says the philosophy is reaping rewards.

- 45 of the company's 64 workers have been with the company more than 10 years, and one employee, due to retire soon, has spent his entire working life at the foundry.
- In addition, 40 employees have become shareholders of the company, holding 44 per cent of its issued capital.

The company's recently launched employee handbook tells the real story behind its successful focus on employee relations and better management.

(Continued overleaf)



(In the hard hats from L-R) W.L. Allen's Managing Director, Bob Hayes shows VECCI's Alan Crompton the Foundry's manufacturing plant at Sunshine

The first words in the handbook are "Welcome to the family".

It later states:

"We recognise the skills, talent and potential of each employee and seek to encourage each person with whom we come in contact by a caring responsiveness to their needs."

Fostering employee relations is not new to the company, which was established in 1939.

It has been the keystone to the company's success since the former managing director, Mr Roy Cox, took over in 1955.

Mr Cox believed that the company's most valuable resource was its people.

On his retirement in 1977, this philosophy was adopted by Mr Hayes and it is still reflected in the company's operation.

Despite the recession, which has affected sales, the company has successfully scaled down its operations without retrenching staff.

**"We have saved
jobs and at the same time
preserved the viability
of the company ..."**

"We have saved jobs and at the same time preserved the viability of the company," Mr Hayes says.

He attributes this achievement to the total cooperation of the workforce which he describes as "motivated and committed to the company, and capable of putting aside demarcations and disputes for the good of everyone".

It is this commitment which is one of the reasons that the company, despite its unionised labour force, boasts a 52-year history without an industrial dispute beginning in the foundry.

The company has attained many other achievements over time.

- It has continued to operate profitably despite the vagaries of the Australian economy, and has not sustained an operating loss in the past 30 years.
- In 1975 it introduced a safety rewards program which has rewarded employees for safe work practices and allowed them to share the savings.
- In its first year the program saved the company \$1 million in workers' compensation premiums.
- More than \$74,000 of this figure in incentives were passed on in the form of incentives to the employees.
- This program is still benefiting the company and its workers. The foundry's WorkCare rate is 4.7 per cent after bonuses - one of the lowest in an industry which has an average rate of 7 per cent.
- The company also has a profit-sharing scheme where 20 per cent of its pre-tax profits are distributed on an equal basis among all employees, as well as special medical and accidentschemes and a job enrichment program.
- Its corporate responsibilities are not confined to the foundry.
- The company also has a reputation as an outstanding responsible corporate citizen.

In the past three years it has distributed more than \$175,000 for the support of charitable organisations, young people and the needy, particularly in the western suburbs.

Photograph appears courtesy of W.L. Allen Foundry Pty. Ltd.

Is Corporate Philanthropy Dead in Australia?

This paper was presented to the Annual General Meeting by Max Dumais. The views expressed are not necessarily those of the association are offered in a spirit of debate.

"Commercial involvement in any activity which is outside the scope of a firm's particular business or expertise raises legitimate and interesting questions associated with private sponsorship and industry's place in society generally."

This quotation from Robert Horton, the chairman of British Petroleum, sets the theme for my comments today and introduces my basic theme that corporate giving in Australia can no longer claim to have any association with Philanthropy.

The Australian Association of Philanthropy has within its charter the objective to promote private and corporate philanthropy.

In many ways it is totally appropriate that an association of philanthropy which consists of a membership of 'Donors' or 'Givers' should hold the moral high ground in exhorting others in the community to give.

The issue which has exercised me since taking on this position in June last year is whether one can still talk in serious terms about corporate 'Giving' in terms of corporate 'Philanthropy' in Australia today.

At the end of last year two separate events finally helped me to learn a lesson I had actually been taught over twenty years ago.

At the World Congress on Philanthropy, in Miami David Logan, from Corporate Community Relations International, introduced the notion of *Corporate Social Investment*, and in Washington Danny de Vito introduced me to *Larry the Liquidator* in his recent comedy, *Other Peoples Money*.

Twenty years ago, as a first year Social Work Student at Melbourne University, along with thirty other students, I was bussed off to Tottenham, in the Western Suburbs of Melbourne for field study excursion to the Rothman's Cigarette factory.

After an hour of touring the factory, bored with the endless rows of cigarettes and jangled by the harsh clatter of machinery, we eventually ended up in the Company Board room. I remember breaking into the relative calm of the meeting with the provocative comment: *"This has all been very interesting, but we are only social work students. What possible use would Rothmans have for any of us!"*

Without missing a beat the Manager moved to the whiteboard and proceeded to deliver a message which I have only recently come to fully appreciate.

"This company has nearly four hundred workers, Nearly ninety per cent are women from ethnic backgrounds. We estimate that our staff turnover is around 65 per cent and that we lose between \$4000 to \$5000 with each turnover."

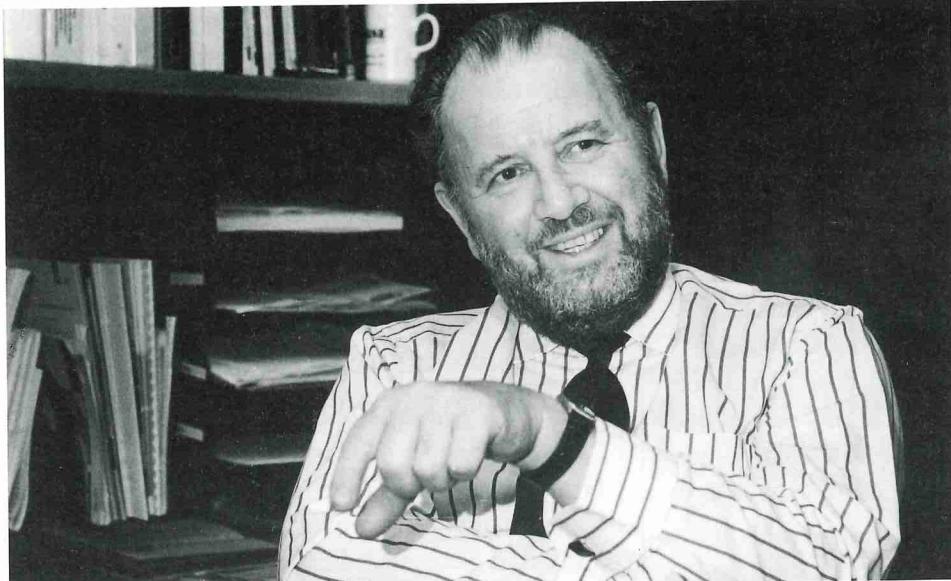
"We suspect that much of this problem is due to social factors. If a Social Worker could identify some of the causes and ways to reduce the turnover from, say 65% to 50%, we estimate an effective saving of between \$150,000 and \$185,000 we would pay the Social Worker \$30,000 (twice the starting wage in 1971) and pocket the change!"

There is a lot of truth in the notion that it takes time to reach the age of wisdom it has certainly taken all of that time for the penny to drop and not only for me, but for a number of corporations as well that what is good for the community can also be good for business an interesting variation on that celebrated theme: *What's good for GMH, is good for the country!*

While it may always have been part of the charter of the Australian Association of Philanthropy to promote Corporate philanthropy, it has not always been clear just what that is supposed to mean or what that might entail.

Even within the business community there has been an ambivalence about companies large or small being involved in the dispensing of largesse - presumably at the expense of their shareholders, to the community at large.

(Continued overleaf)



Sir Robin Heal, O.B.E., provides an overview of British Petroleum's strategies and philosophies for Corporate Giving

Managers of Public Companies, or the owners of private family companies, who engaged in altruistic, 'no-strings attached' giving and yet were still able to achieve positive financial results for the company tend to be accepted as visionaries and their corporate philanthropy interpreted as an acceptable, albeit charmistic leadership style.

Closer to home, the W.L. Allen Foundry which is one of our corporate members has always accepted that part of the business of doing business in the western suburbs of Melbourne required their company to give something back to the community.

I have always been impressed by the Managing Director, Robert Hayes', argument that a major percentage of their company giving dollar is earmarked for the Western suburbs where their factory is situated.

He maintains, successfully against tax auditor and others that their giving program is a form of community dividend, which is paid to the community in which they exist and carry out their business.

Danny de Vito, as Larry the Liquidator in the film, *Larry the Liquidator* sets out to take over a long established family company which is still attempting to base its major income on copper cabling in these heady days of optic fibre

The company is presided over by the grandson of the original founder, portrayed just as ably and with great fortitude - bordering on stubbornness, if not

intransigence, by another old favourite, Gregory Peck.

The major moral issue posed by the film is the question of whose interests should be upper most those of the shareholders, who have invested their capital for a return, or those the workers whose livelihoods depend on the continued existence of the company.

The film highlights the issue of who actually represents these interests best the Wall Street shark who seeks to takeover the company and return it to profitability over the long term or the incumbent President and Chairman who is prepared to eat up the profits of the other more successful businesses in the group in order to support the jobs of those caught in the death throes of the ailing copper cable business.

Without spoiling the story line, completely the ending has a marvellous example of a *Corporate Social Investment* sting in the tail - in which the needs of the workers and the profitability of the company is bound up together in the development of new, socially and environmentally acceptable product which manages to marry the good of the company and the good of the community - in a creative and successful way.

The point of Larry Liquidator is simply that by, thinking outside of the square, there are ways in which companies and communities can develop partnerships which are both innovative and profitable at the same time and we need to see more of that type of thinking develop in Australia, as it has begun in both the United States and the United Kingdom.

In order to understand *corporate philanthropy* in the strategic sense in which it is being developed overseas we need to follow more closely some of the development of the notion.

Large corporations in Canada, the United States and the United Kingdom have begun to articulate their corporate citizenship responsibilities in new ways. The reality is that *corporate philanthropy* in these companies appears to have moved some time ago away from the notion of true *corporate altruism* the type of Corporate philanthropy which could only be defined by virtue of the *altruistic intentions of the giver*.

The notion of *corporate social responsibility* emerged as a corporate response to the social disruption of the seventies and eighties for example, the Brixton or the Watts riots. It was these examples of large scale social dislocation that stiffened the resolve of businesses to become actively involved and which introduced, in business terms the notion of vested and measurable self-interest.

A major incentive was the fact that the results of this social upheaval directly affected both the marketplace in which they did business and the productivity of their employees who had to live in these communities.

Along the way the Marketing - as opposed to the Corporate Affairs arm of corporations began to develop the notion of aligning marketing campaigns with public issues. In Australia, we have come to know this form of marketing as *Marketing Sponsorship*, in the United States, it was known as *Cause related* marketing and in the United Kingdom it is referred to as *Public Purpose Marketing*.

For the most part these campaigns are based on the belief that a more discerning consumer is more likely to respond to those products which can be presented as aligned with their own particular value positions on a particular issue American Express started the ball rolling by linking its campaign to restore the Statue of Liberty to its business turnover every dollar spent on your American Express Card led to a percentage giving contribution to the restoration project.

We have seen the same campaigns here in Australia as we supported our Olympic Games athletes by buying and eating more Uncle Toby's oats!

It is becoming clear that the corporate acceptance of the strength of these sorts of sales campaign has begun to move on in other parts of the world as that elusive, but discerning consumers came to see the new found marketing systems for just what they were.

Marketing strategies in which the return to the company was if not the only discernible driving force certainly the major. the reality remains that an expectation still prevails within the community that, while Corporate Citizenship entails some degree of transaction, it should not be completely to the advantage of business.

It is also clear now that other factors are beginning to play a part Faith Popcorn, in her very readable expose of marketing in the nineties known as the Popcorn Report, introduces the notion of *Corporate Soul*.

The assumption is made that companies need to position themselves not only as corporate citizens, but also as **decent** corporate citizens.

She has introduced a new concept into the vocabulary: *Decency Positioning*.

By *Decency Positioning* she means a corporate policy to "be good, do good" in order to create a relationship with the consumer that is **based on trust**.

(Continued overleaf)

In one example, she outlines the preparedness of the American public to continue its trust in the makers of Tylenol, a non-prescription pain-killer, during the horrific days it faced as an urban terrorist threatened to, and actually did, spike their head capsules with poison.

The makers won the public, (read consumers), respect by coming clean and throwing themselves behind the campaign to empty the shelves of their product before any harm could be done.

In a totally opposite type of situation Perrier mineral water was threatened with Benzene in their water and survived only to have the revelation that their product was not naturally effervescent but carbonated at their American plant. A classic case of two strikes and they were out! Their market share plummeted over night.

The other major contributor to this debate has been Anita Roddick and the Body Shop.

This successful international empire has been built upon 'Do-Good' Principles that range from Save-the-Earth policies, to no cruelty to animals, to "Trade, not aid" for native projects in remote lands. The difference is that the Body Shop started out with social responsibility above corporate profitability as its primary goal and has made a killing!

What has all this to do with *Corporate Strategic Philanthropy*?

Corporate Strategic philanthropy has come a full turn from the original altruism that is best exemplified by the hands-off, arm-distant and independent decisionmaking of Corporate Charitable Foundations which were endowed from company turnover, but expected to act only in the direct interests of the community.

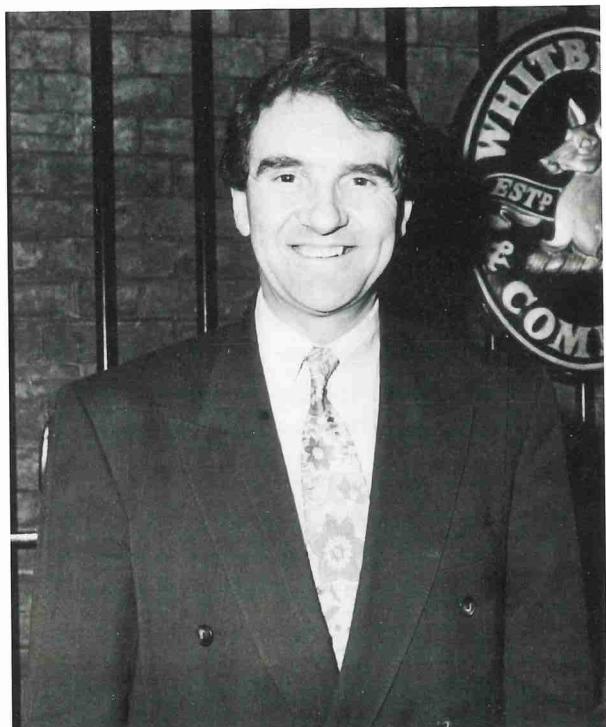
We are now talking about *Corporate Social Investment* which assumes that there is a direct long-term benefit for the company. It is not seen as moral imperative in any sense, but rather as a long term positioning strategy for survival.

The key elements of Corporate Strategic Philanthropy is the fact that it is focussed, has clear objectives and is predicated, in its best expression, on a 'win-win' scenario for both the company and the community.

The question is: Is all this news bad news? The answer from where I stand is an unequivocal NO!

First of all, it is worthwhile watching how these emerging trends turn out in practice.

On the one hand there is a move in larger multinational corporations to move decision-making on community giving back to the local areas in which their staff have a direct involvement. There is an increasing emphasis on supporting voluntary staff community involvement because the pay-off to the company is more long-lasting and more direct. At the Whitbread Brewery in London I was fascinated to learn that corporate community involvement had positive management advantages to their staff. Part of the new technology in that company has led to the removal of whole layers of middle management.



Ian Anderson, Manager of Public Affairs, Whitbread Breweries

They have been quick to note that 'job satisfaction' and staff morale which might otherwise have been whittled away by the reduced career paths has now been taken up and developed within the context of the company's community involvement program.

Ian Andersen, the Manager of Public Affairs in Whitbread recounts the story of the wife of an employee who had approached him during the festivities leading up to Christmas with the comment: *I don't know what you have done to my Johnnie, but he is a new man since he got involved in the community program.*

Not all the news, however, is good. In Canada I was informed that a local telephone company had engaged a consultant to develop their staff involvement program

Six months later, the consultant, in question, turned up at the local Volunteer Centre with a computer disc containing the profile, statistics and interests of 4000 personnel in that company, who were interested to volunteer their time in community service.

Needless to say the Volunteer Centre were overwhelmed. Not only did they have no way of coping with an influx of 4000 volunteers in one hit, they didn't even have a computer to take the disc.

The truly disappointing aspect of this story was the fact that I was being told it - at the expense of the Volunteer Centre. What consultant worth their salt would have proceeded that far without making contact with their prospective marketplace!

A major challenge facing community groups in the Australian context, is to assist at the interface between the two very different cultures.

The Australian Association of Philanthropy may have a role to play at that interface our membership is daily involved at this interface and there is not only a great deal of expertise developed amongst private Trusts and Foundations but also a clear grasp of the values that pertain to the sector.

From 1976 till 1979, I was Director of the Volunteer Resource Centre, a three year project funded mainly by the Myer Foundation and the Potter Trust. Our major task was to interest community service agencies in making serious use of the untapped volunteer potential that was available in the community and also to develop the management skills of volunteer coordinators.

Today, the more progressive companies not only encourage staff/community involvement but are supporting the salaries of such coordinators in community agencies in order to ensure that the experience pays off for both the employees and their company.

If major companies are to encourage staff to involve themselves in the community, there is ample opportunity for many of the lessons of the Resource Centre project to find expression.

At SunMicrocomputers, every attempt is being made to involve staff in community projects. One of the difficulties they do face is the repatriation of their profits to Australia for community giving. A number of overseas corporations raised this issue during my trip.

Nearly every company visited including Honeywell, 3M and others, raised problems of transferring philanthropic monies across national boundaries particularly those relating to the respective tax regimes.

The American Congress has not helped. Recent changes provide for a 60% deduction for repatriated profits in the form of corporate giving to countries outside of the United States, whereas there is a 100% deduction for the same funds allocated in the States.

In the United Kingdom, the Charities Aid Foundation enters into a contract with overseas companies to disburse their funds and has streamlined the transfer of monies for community use from one country to the other without entering into a competitive situation with its members.

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The Association has the potential to develop a role as an honest broker for funds which might not otherwise be transferred here on a strictly contractual basis, and on a company to company basis.

What then is the role for the Australian Association of Philanthropy in promoting and assisting the development of corporate community giving in Australia.

- Firstly, the Association needs to recognise that by virtue of the word 'philanthropy' in its name it is no longer likely to be seen as an appropriate body with which many corporates could consider aligning themselves.

Even if these corporations did maintain a degree of true altruism in their giving programs, the trend will more and more be towards the long term strategic interests of their company.

To join an Association which, ostensibly promotes 'Philanthropy' or 'un-self interested giving' runs the double jeopardy of appearing to be doing something they are not and to be aligning their self interest with aspects of charity rather than broader community values.

- Secondly, we need to determine the ways in which the Association can best provide a genuine 'win-win' equation for both companies and their community partners, within the demands of an Australian culture and ethos.
- Thirdly, we need to address the ways in which the Association might develop a service like that of the Charities Aid Foundation in the United Kingdom in order to assist in the repatriation of corporate dollars to the Australian community from which they were raised.

If we were to take seriously the charter to promote corporate giving, we have to think seriously of consolidating our charter to promote giving - of all forms in Australia, by considering dropping the word 'Philanthropy' from the name of the Association.



Jeremy Lunn, Executive Director of Business in the Community

My own view is that there is room for an Association for private trusts and foundations and there is room for a new and separate entity which could address the second stream of issues, namely the development of an effective interface between the two cultures of company and community.

My reason for adopting this position is a firm belief that it will not be a membership-based Association which can make ground in this area, but rather a specialised, preferably not for-profit company which has a clear mission statement and an appropriate Board of Directors with the vision and clout to make things happen.

As for the role of making the Association a conduit for overseas funds, this is only one of the issues which will exercise the minds of the incoming council and make for an exciting and challenging year ahead for the Association.

Corporate Social Investment - New forms of Involvement

Corporate grantmaking has added many dimensions in recent years. There are now signs of a new involvement that goes beyond traditional grantmaking and voluntarism.

From the Statue of Liberty restoration project and Hands Across America to famine relief and South African policy decisions, US corporations have in the past few years become more visible in their responses to social issues.

In 1985, according to *Giving USA*, corporate philanthropy totalled a record \$4.3 billion, up 13 per cent from the previous year, and volunteer participation and product donations are both on the rise.

While there are indications that this impressive growth rate has slowed somewhat this year, the overall direction is promising.

But numbers and media coverage do not tell the whole story of the "new" corporate involvement.

- What about the substance and motivation of these efforts? With resources being limited, are allocations made for maximum impact?
- How much risk are companies willing to take in their contributions and social policies?
- What is the role of compassion?

In other words, are corporations effecting real change?

Simply put, corporate social investment applies the economic logic and goal orientation of business activities to a corporation's involvement in social issues.

It merges business sensibility with social responsibility.

Just as a corporation must define its mission in order to understand:

- what business it is in
- what market it is targeting, and
- how to invest for a predictable return.

So too must it apply reasoned thought to its social investment.

This process requires that a series of decisions be made that apply the same standards and accountability used in normal business practices.

First, a corporation's social investment mission statement should be clear.

The organization needs to understand the breadth of its "social market" and decide those segments it wishes to affect.

Undertakings may include philanthropy, employee-related investments, and/or the creation of an infrastructure for daily business activities and direct social implications (for example, pollution abatement or support of minority-owned businesses).

Once a program is established and funded, resource allocation decisions must be refined:

- Which arts groups get funding?
- How many dollars beyond regulatory requirements do we put into minimising the environmental impact of our manufacturing process?
- How much effort do we invest in supporting minority suppliers?

And there are broader issues at stake, ones that require us to determine the relative return on our social investment options, and to grapple with the relationship between self-interested economic goals and mutual-interest social goals.

Unless such rigorous thinking is undertaken, there is the danger that corporate involvement will be nothing more than self-serving public relations.

Social Investment Portfolios

Companies would also do well to think of their corporate involvement activities in the context of a portfolio - a portfolio of social investments.

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Holdings would include grants, volunteer efforts, and product donations, as well as commitment to act responsibly in day-to-day business operations. Each of these choices presents both low- and high-risk opportunities.

Some holdings may be known to be effective and to have a steady rate of social return, such as a grant to a federated campaign fund.

Other investments may prove to be high-risk ventures which, if successful, promise a high return. Here an example could be the support of a new program to address gang violence in cities.

Even if a high-risk project fails, lessons can be learned that can benefit future ventures. Moreover, if risky projects are part of a whole range of investments, a single failure does not have to undermine a corporation's broader efforts.

These mixed portfolios - from "safe bets" to "social venture capital", from grantmaking to socially conscious daily practices, on through to bold programs that create new models of corporate/social integration - comprise the exciting stuff of corporate social investment.

The most prevalent approach to corporate social investment is philanthropy. Such charitable giving can take several forms:

- direct cash grants
- donated equipment or products, and
- the time and efforts of volunteers.

For corporate philanthropy to have its greatest impact, companies need to view their decisions in a traditional investment framework. This requires careful consideration of each activity's potential risks and returns, as well as those of the entire social investment program.

While some companies do employ such methods in their grantmaking, it appears more common for allocation decisions to be made without regard for return on investment.

Traditionally, corporate giving has been looked upon as a matter for executive discretion.

In fact, a survey done for the Council on Foundations by Yankelovich, Skelley, and White demonstrated that chief executive officers (CEOs) are the most influential decision-makers in corporate philanthropy. At the very least, they set the tone and direction of giving programs; more often they take direct control of the grant decisions.

The prominence of CEOs can strengthen a philanthropic program, particularly in terms of adding credibility to charitable efforts and helping employees understand the importance of corporate giving.

Conversely, however, CEO control can result in frivolous giving that does not effectively address the needs of society.

High Risk, Low Risk

Another factor that works against thinking of philanthropy in an investment context is the tendency of corporations to concentrate support on safe, established causes.

Common grant recipients include:

- symphonies
- arts councils
- federated campaigns.

Despite the good work that these organisations do, their activities do not always keep pace with changing social needs.

Emerging issues such as the AIDS crisis, homelessness, and the influx of refugees into the US demand urgent attention, and new organisations conceived to address these problems require timely funding.

The grants made to traditional organisations may be symptomatic of a larger trend - that of corporations seeking to avoid controversy.

Conservative corporate giving practices may stem from a fear of being associated with controversial causes, or from a fear that unconventional grants might result in failures.

Some companies, however, have based substantial social investment programs on high-risk efforts.

For example, Aetna Life Insurance recently backed initiatives to address infant mortality in Hartford, Connecticut, and to improve municipal management in that city's government. Both the company and the local community considered these high-risk projects.

One effective way for corporations to get more return from their philanthropic investments is to focus their giving on specific issues.

Until 1983, for example, B. Dalton, the national bookstore chain, supported a wide variety of causes with small donations. After an assessment of its giving program, the company decided to concentrate all its charitable resources in a nationwide literacy

project. Not only is this effort likely to have a greater impact, it relates well to B. Dalton's business and expertise.

There are many other examples of companies that focus on causes that relate to their products.

Hallmark, the greeting card manufacturer, has given heavily to programs for the creative arts and youth. Weyerhauser is using its knowledge of the housing industry to support an initiative to provide affordable housing for the elderly.

Many computer companies donate their products to non-profit organisations, thereby empowering these groups with new technology. The groups often receive specialised training from company-provided computer experts.

In lieu of a conventional grant, Bank America has offered its cash-management services to groups such as the San Francisco Ballet.

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Tessa Murray of British Petroleum's Community Affairs discusses BP's Charitybase, Britain's first part-time subsidised, serviced office accommodation for Charities with Max Dumais

Here, the bank's financial expertise helps the non-profits save money. Corporations with expertise in marketing, such as General Mills, have given staff paid leave to assist groups in broadening public awareness of their activities.

Many companies focus volunteer programs on the skills their employees bring to their jobs.

Volunteer programs expose employees directly to social problems, as well as enable them to feel more connected with the corporation's broader social responsibilities.

There is widespread agreement among corporate grantmakers that not enough effort is devoted to evaluating the impact of corporate philanthropy.

In part, this is due to the inherent difficulty in selecting suitable measurements. A company could look at an organization it funds and determine how many people the group serves, or how many tax dollars were saved by the group providing a service rather than the government providing it.

Other measures might include the value/replicability of a project, or the success of a group in becoming self-sufficient.

Despite the limitations of such indicators, it is critical that companies engage in some evaluative process with every grant made.

Evaluations can help individual grantees develop more successful programs, as well as help companies adjust the focus in their grantmaking.

Further, the evaluation process can involve employees, thereby increasing their support of the company's programs.

Regular evaluation can also lead to the creation of more diverse social investment portfolios.

For example, evaluations can determine the risk factors of each activity, the need to set both short and long-term expectations, and the desirability of supporting both established and new social service groups.

Evaluation of corporate philanthropy by external groups can also play an important role.

In Minneapolis, an organization has over the past few years given local companies a "report card" on their giving activities.

Such critiques help establish a sense of accountability, as well as provide comparative information on how companies are addressing community needs.

Social Responsibility in Daily Business Operations

At the most basic level, everyday business decisions inherently have social implications.

Common issues that arise include environmental protection, occupational safety and health, product quality, employee benefits, plant-siting decisions, affirmative action and procurement.

The employment of corporate resources to address these areas can have a dramatic effect on the well-being of society.

For instance, installing the very latest environmental controls at an industrial facility can improve a community's air and water quality.

Providing childcare at the office can enable women to join the workforce.

Providing childcare at the office can enable women to join the workforce. Procuring supplies from minority-owned businesses can help redress past social inequities.

Each of these actions - and many more like them - are often lumped together under the term "social responsibility".

Social Responsibilities as Business Opportunities

Some companies have chosen to turn social problems into business opportunities. As with efforts into corporate social responsibility into daily business operations, this approach is based on the belief that philanthropy can have only a limited effect in addressing social issues.

According to this view, philanthropy consumes wealth, rather than creates it. The activities it supports need constant replenishment.

In contrast, the alternative strategy specifically targets social problems and makes them the main purpose of doing business.

Issues such as education, unemployment, urban decay, and the delivery of government services are viewed as "social markets". Business ventures are conceived to respond to these markets with the expectation of both steady revenues and a strong and permanent impact on society.

Control Data Corporation is a prominent example of a company that has tried to develop this concept.

In one project, Control Data addressed the bureaucratic problems of managing prisons.

The effort began with a donation of computer equipment, as well as some loaned staff time to a Minnesota correctional institution. Dramatic progress was made in streamlining operations, and within a few years, prison systems across the country were buying Control Data's equipment and services.

Later, the company leveraged another of its products, the computer-based learning system called PLATO, to help prisoners gain high school and college degrees before their release.

Of course, responding to social needs with products or services alone does not guarantee success.

Oddly enough, Control Data has been criticised in Minneapolis for taking this innovative approach rather than making traditional contributions.

Norbert Berg, Control Data's chairman, counters that the company's commitment to rectifying social problems is more deeply rooted than conventional philanthropy, and that its impact will be permanent.

Control Data, along with several other corporations, decided to promote its social investment approach through the establishment of the Alpha Center for Public-Private Initiatives.

Started in 1985, the Center acts as a clearing-house, consultant, and financial broker for entrepreneurs who seek to deliver human services through private means. The Alpha Center hopes to bring more private companies into social markets through a \$10 million venture capital fund.

The privatisation trend raises some difficult issues.

On the positive side, these companies offer an alternative to government delivery of human services, with potential cost savings. Since the entrepreneurs who start these ventures have a financial stake, more streamlined, efficient operations may result.

There is a danger, however, that the examples of successful privatisation could be used as a justification for government to abrogate its social obligations. Not every public service can be privatised; besides the sheer magnitude of social problems, there are the questions of resources and moral leadership, and the traditional role of government in meeting social needs.

Below-Market Loans

One approach to social investment involves three of the approaches already noted - philanthropy, social responsibility in daily business, and the viewing of social problems as business opportunities. This is the below-market interest-rate loan.

In the context of their business operations, some financial institutions have used their resources to make social investments in low and moderate-income housing, economic development, health facilities in underserved areas and neighbourhood revitalisation.

(continued overleaf)

The lender gives up several percentage points of return in order to back projects that would not be supported under normal investment standards.

This approach has two main benefits.

- First, it enables the lender to leverage its philanthropic dollars, thereby providing the basis for large projects that would not be possible with straight grants.
- Second, the programs are not give-aways; the loans are repaid. The money can then be recycled into other projects.

The insurance industry has been particularly active in this field.

In 1984, the industry as a whole gave \$108 million in conventional philanthropic contributions, but also provided \$1.4 billion in social investment loans. The option of making social investment loans is not available only to financial institutions.

Through the Local Initiatives Support Corporation (LISC), companies of all types can channel money to development projects in their local areas. LISC provides the expertise to identify and analyse projects, negotiate with public agencies and secure additional financing.

In five years, LISC has funneled more than \$100 million to development projects. It now operates in 27 US cities.

Cause-Related Marketing and Philanthropy

The most recent development in corporate philanthropy has been the tying of consumer product purchases to charitable giving.

Pioneered in 1981 by American Express, which has copyrighted the term, "cause-related marketing" has been adopted by many companies that see it as an innovative way to expand their sales while supporting social causes.

Although unable to isolate a single factor to account for sales increases, American Express reports that card use increased by 25 percent during one of its cause-related marketing campaigns.

Other, less conclusive examples include the Scott Paper Company, which recently introduced a line of paper towels from which a portion of the profits go to charity.

Consumers now have the option to designate a charity to which donations are made each time they use a VISA card (the name of the organisation is printed directly on the card itself).

Real estate companies are offering to make contributions to home-owners' favourite charities for the privilege of selling their houses.

Real estate companies are offering to make contributions to home-owners' favourite charities for the privilege of selling their houses.

Cause-related marketing is not always limited to mainstream, high-visibility causes, such as the Statue of Liberty or the Olympics.

American Express, for example, developed Project Hometown America, a campaign that funded 205 grassroots social service programs across the country.

Usually, however, cause-related marketing efforts target popular causes at the expense of lower-visibility, higher-risk ones.

And this raises questions that affect both corporations and individual consumers.

Resource Library Established

While cause-related marketing integrates charitable giving into the basic business of the corporation, there's potentially a negative side, too.

- Unless carefully applied, it could reduce company decisions about charitable giving to a strictly sales/marketing orientation.
- Also, there is a danger that cause-related marketing will eliminate the "compassion" element in philanthropy.

A philosophical debate is under way at many companies about cause-related marketing, and some have decided to stay away from such programs, at least for now.

We see the recognition of the mutuality of social interests and corporate interests as the beginning of a new era of the social economy.

When based on integrity and compassion, the business practices that have frequently brought the American corporation to the fore-front of achievement at any cost will now take into account the social costs of doing business.

It is up to corporations, spearheaded by forward-thinking CEOs and contributions staffs, and supported by associations such as the Council on Foundations, to look upon societal needs as a proper object of corporate social investment.

We look forward not only to a continued quantitative increase in corporate social investment, but also to a better quality of involvement.

Corporations have a special opportunity to use their resources and imagination to address the needs of society. With creative investment, we can all profit from the returns.

Article by Adam Stern and Mark Vermillion.
(Reprinted with kind permission of Foundation News, 1828L Street, NW, Washington, D.C. 20036 5168).

The Association has taken over the international resource library which has been located at the ANZ Executors and Trustee Company Limited over recent times.

Any interested users should make an appointment prior to visiting by contacting Iris Mason on 614 1491 (Monday, Wednesday or Thursday Morning). We are still in the process of cataloguing the material, but are prepared to allow access even at this early stage.

Cessation of Probate Duty Advice Letters

As of the 1st September, 1991, the State Taxation Office has no longer been providing letters of advice regarding the legal status of organisations in relation to the provisions of s.21 of the *Probate Duty Act* 1962 under instruction from G J Sebo, Commissioner of Probate Duties.

This action was apparently taken after consultation with the Law Institute of Victoria and other professional bodies.

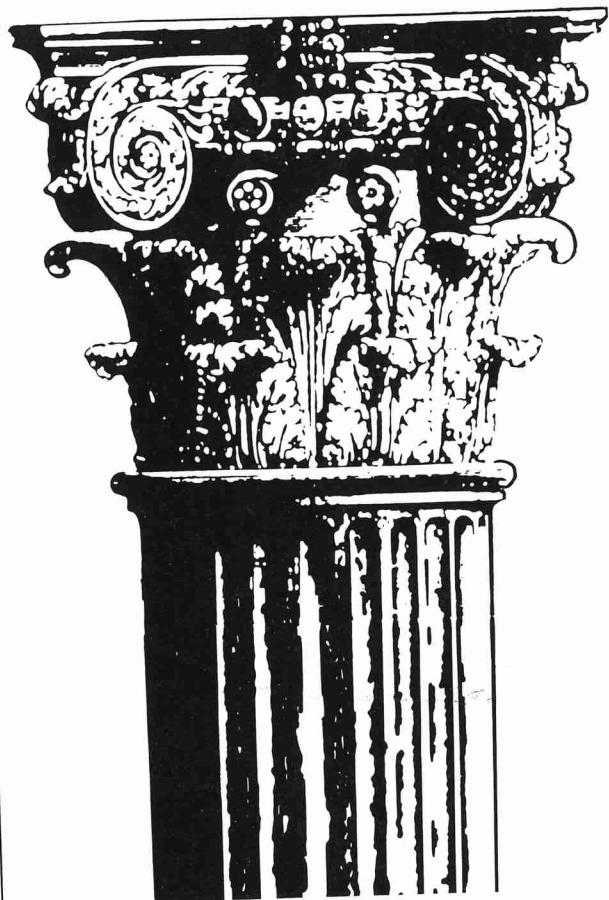
The decision was based on the fact that the State Taxation Office no longer funds positions which are connected with the *Probate Duty Act*.

Applicants seeking funds from various philanthropic trusts have been advised to contact those trusts for details of alternative measures to be undertaken to satisfy the legal status of that applicant under s.21 of the *Probate Duty Act*.

In most cases, it is anticipated that a letter of advice from a qualified Victoria legal practitioner should suffice.

Any members who have been having difficulties with this issue are advised to contact Max Dumais on 614 1491 in order for the matter to be referred to the Council of the Association for consideration.

The Australian Directory of Philanthropy (6th Edition)



Familiarly known as "The Directory", this runaway best-seller lists 421 funding bodies in Australia, including trusts, foundations and corporations. It is an essential tool for grantseekers and includes not only the areas funded by various bodies, but also the areas not funded, which saves valuable time for grantseekers.

Price: \$34.95 plus \$3 postage

(Please send cheque with order to Australian Association of Philanthropy, 8th Floor, 20 Queen Street, Melbourne, 3000)

Successful Submission Writing for Business and Non-Profit Organisations

Written by Jean Roberts

This book is well received amongst those agencies attempting to present themselves to potential funders and others in a professional way.

Her experience covers the private, public and community sectors and she has had her own success in submission writing, planning and implementing new programs, services and centres, and the introduction of new policies and organisational change.

Price: \$19.95 (plus \$2.00 postage and handling)
(Please send cheque with order to Australian Association of Philanthropy, 8th Floor, 20 Queen Street, Melbourne, 3000)

Effective Trusteeship: Issues for Creative Philanthropists

Written by Dawn Wong of the Law Foundation of New South Wales

This publication is an extensive report of Ms Wong's study tour to North America, England and Italy.

It covers areas such as:

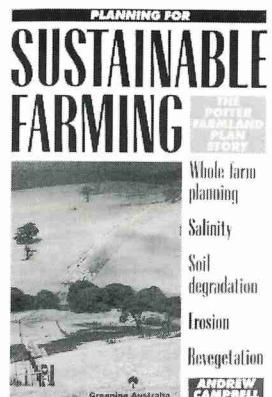
- Assessing the Impact of Grantmaking
- Maximising the Rewards of Foundation Trusteeship
- Foundation Staff: The Professional Approach.

Price: \$25.00

(Please send cheque with order to Australian Association of Philanthropy, 8th Floor, 20 Queen Street, Melbourne, 3000)

Planning for Sustainable Farming

Written by Andrew Campbell. Published by Lothian Books



This book is another outcome of the inspired Potter Farmland Project in Victoria's Western District. Andrew Campbell was its Project Manager and his book is an account of its first three years.

Planning for Sustainable Farming is interesting not only from the point of view of farmers looking to sustainable agriculture and working to protect the environment and the productivity of the farm at the same time, but also as a fascinating social experiment which worked.

The Project drew together many apparently disparate groups in the community - farmers, environmentalists, accountants, bank managers, voluntary groups and government departments.

Campbell's book does not attempt to gloss over differences in approach and execution. One of the book's great strengths is that the success of the project can be seen in the Potter Farms themselves.

PRICE: \$19.95

Available from bookstores and selected newsagencies.

Giving Australia

This publication is the first serious attempt to analyse the patterns of philanthropic activity in Australia. Commissioned by The Australian Association of Philanthropy (in association with The Australian Centre, The University of Melbourne), the work was undertaken by Kevin Hindle of Rerk Research. *Giving Australia* looks at giving by individuals, businesses, foundations, trusts and bequests as well as identifying the areas to which they give.

In his introduction to *Giving Australia*, Director of Corporate Affairs at Coles Myer Ltd., Richard Thomas, says "...Giving Australia makes it obvious that there are almost as many different policies on philanthropy as there-e are corporations and individuals. It creates a framework against which companies can compare their own activities, and it will hopefully also lead to a recognition by government and the community of the very great importance of philanthropy in assisting certain sectors Or our community unity."

Price: \$45/\$35 for AAP members

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A Guide to Informed Giving

Using a question and answer format, the Guide examines issues and options about the formation of trusts and foundations. Specifically written to suit Australia and with frequent use of case studies, it includes discussion of:

- Why become involved in philanthropy?"
- What skills does a philantropist need?
- Tax advantages of gaining charitable status.
- Legal structures for trusts and foundations.
- How to select trustees.
- Evaluation and accountability.

Price: \$54.95 plus \$3 postage

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Philanthropy

Philanthropy is the official journal of the *Australian Association of Philanthropy*. It is published quarterly and mailed to members of the Association.

Subscriptions to Philanthropy are also available to non-members. The rate is \$30 per annum, post paid. (Back issues, Numbers 2-10 inclusive, are available for \$5 per copy).

For enquiries and information about the activities or membership of the Association, the journal or subscriptions, please contact:

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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

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Coles Myer Ltd
Esprit Cares Trust
Helen M Schutt Trust
Howard Norman Trust
L.E.W. Carty Charitable Fund
Law Institute of New South Wales
Lord Mayor's Fund
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- That 500,000 Australians have diabetes, half of whom are not aware of it?



- That the most common type of diabetes (non-insulin dependent) occurs in adults?

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