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SPECIAL FEATURE: LEGAL ISSUES

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Cover Note



Cover Note -

Joseph Rowntree 1836 - 1925,
'Much of current philanthropic effort is directed to remedying the more superficial manifestation of weakness and evil, while little thought or effort is directed to search out their underlying causes.'

Photo -

Courtesy of the Joseph Rowntree Foundation

Sponsorship

Thanks to Dame Elisabeth Murdoch for kindly sponsoring this, the 27th and Summer issue of *Philanthropy*.

Disclaimer

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

Editorial

In this, my last editorial for *Philanthropy*, it may be timely to revisit some of the sentiments that I referred to in my first:

"The Australian Association of Philanthropy must be in the strongest position to provide the focus for possible self-regulation, in order to ensure that governments need not find it necessary to intervene in the area of private giving" - These sentiments were ably borne out in the successful involvement that the Association was able to mount in response to the eventual Industry Commission inquiry, as most of our recommendations found expression in the final report.

"In order to prevail, private and corporate philanthropy will need to respond to the legitimate demands for more accountability. The ways in which grant-seekers can find their way to funding sources, the basis on which such funds are distributed and the measurable public good that will be achieved in their proper disbursement, needs to be open to public scrutiny and evaluation". In fact, the Inquiry has left this challenge largely to the philanthropic sector and this provides a renewed opportunity for the Association to address these issues in ways with which the membership is in tune and accepts. The notion of one application form amongst members, the development of a voluntary Code of Practice and the increasing publication of annual reports all point in this direction.

"Private and corporate philanthropy contributes significant resources to the well-being of our society. Cash is probably the least potent of those resources. Private, and particularly corporate philanthropy, represents a cross section of public, business and community leadership, of both sexes, which is both strong and vital. The challenge for the Association is to secure its position as a focus for those resources in ways which ensure the future development of philanthropy and enhances both the incentives and motivation for continued private giving." Over the past four and half years in this position it has always been humbling to note the range of ideas, programs and initiatives which have come across this



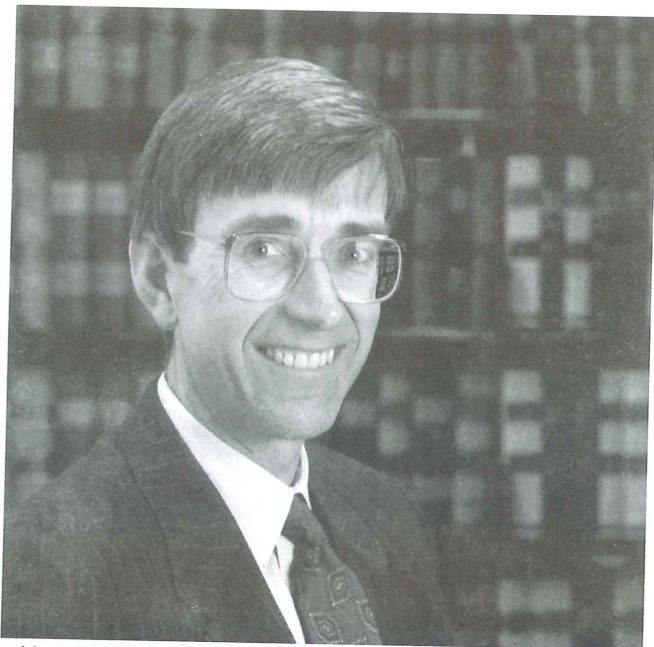
desk in search of support. The Directory, our grant-seekers' workshops and this Journal itself, have become important ways for the Association to provide such a focus.

It has been a great privilege to serve as Executive Officer of the Association and, in particular, as editor of *Philanthropy*. Each edition has provided insights into the ingenuity, initiative and plain 'gutsiness' of people who have seen a problem, developed a solution and done what it takes to tackle the issue in imaginative and committed ways.

It has also been a great pleasure, and I thank the Association for the opportunity to be part of its development during these important times and wish it well for the future. Thank you to those with whom it has been a privilege to work and also to those involved with this Journal. I can only hope that its readers have found inspiration in the stories we have been privileged to share.

Max Dumais
Editor

Auspicing - A Trap for Well-Intentioned Trustees



Mr John Emerson, Partner - Freehill Hollingdale and Page

Trustees of grant-making philanthropic trusts usually have a discretion as to how income is to be distributed among a class of charitable beneficiaries. The trust instrument may limit the class by reference, for example, to locality, income tax laws, or death duty laws.

Trustees may be frustrated by the limits on the class of beneficiaries - often classes were limited for reasons no longer relevant (for example, to ensure that death duties were minimised). Sometimes the limitations were imposed having regard to personal desires of the founder which are now outdated.

In these circumstances, there is a temptation for trustees to make grants on a basis that is intended to benefit charities which the trustees perceive to be more deserving than those permitted by the trust instrument. Typically, trustees succumbing to this temptation will make a distribution to a charity which falls within the permitted class of beneficiaries, but the distribution will be made under an arrangement that the authorised charity will benefit another charity that does not fall within the specified class.

The arrangement (known as "auspicing") can take any number of forms. For example, the trust instrument may authorise distribution to be made to charitable institutions situated in Victoria only. The auspicing could involve the trustees making a distribution to a charitable institution in Victoria but whose own constitution contained no similar limitation. The authorised institution would, in accordance with an understanding with the trustees, then distribute a similar amount to an institution situated outside Victoria, perhaps after deducting a "commission". Similarly, a trust instrument may authorise distributions to be made to institutions which hold tax deductibility status under section 78 of the Income Tax Assessment Act. Auspicing would occur if a grant were made to an authorised institution pursuant to an arrangement whereby a benefit will be passed on to an institution which does not hold deductibility status but which the authorised institution is nevertheless permitted to benefit by its constitution.

The courts have described this type of arrangement as a breach of trust or as a fraud on the power of the trustees. Trustees cannot do indirectly what they are not permitted to do directly. "[An] exercise of a [discretion] in a way designed to achieve some ulterior end, foreign to the real purpose and object of a power, is a fraud on the power and invalid".¹

The relevant principles were summarised in the House of Lords in the case of *Duke of Portland v. Topham*². At page 1251 the Lord Chancellor, Lord Westbury said as follows:-

"...[the trustee holding the discretion], shall, at the time of the exercise of [the discretion], and for any purpose for which it is used, **act in good faith and sincerity, and with an entire and single view to the real purpose and object of the [discretion], and not for the purpose of accomplishing or carrying into effect any bye or sinister object** (I mean sinister in the sense of its being beyond the purpose and intent of the [discretion] which he may desire to effect in the exercise of the [discretion])" (emphasis added)

The courts will consider the substance of the "fraud" and despite how the auspicing is structured, the distribution to the authorised charity is void. It is of no concern whether the auspicing arrangements are formal, informal, express or implied or that the benefit provided to the unauthorised charity by the authorised charity is of a different amount or in a different form from the benefit provided to the authorised charity, or is provided before or after the benefit provided to the authorised charity. Further, it does not matter whether the arrangement is fully and formally documented or whether the arrangement is disguised by a "nod and a wink" understanding. In each case, there is an improper exercise of discretion.

Where auspicing has occurred, the Attorney-General has the right to seek a court order requiring the trustees of the philanthropic trust to personally make good the whole of the loss suffered by the trust as a result of the improper distribution.

Some trustees seem to hold the view that as they only enter into auspicing arrangements to by-pass what they consider to be unnecessary or irrelevant limitations in the trust instrument and as they are in any event benefiting charities, it is unfair that they may be held personally liable.

This view is simply not supported by law. Trustees are bound strictly by the limitations on the class of authorised charities outlined in the trust instrument and no matter how worthy the unauthorised charity, trustees are personally exposed to compensate the philanthropic trust for any improper distributions. It might well be constructive for trustees who feel frustrated by limitations in the trust instrument on the class of authorised charities to seek advice as to whether in the circumstances of their trust, a cy pres application is justified either to the Attorney-General or to the appropriate court for an order removing or varying the limitation.³

1 Lutheran Church of Australia South Australian District Incorporated v. Farmers' Co-operative Executors and Trustees Ltd [1969 - 1970] 121 CLR 628 at 652. See also Vatcher v. Paull [1915] AC 372

2 (1864) 11 ER 1242

3 See, for example, Forrest V Attorney-General [1986] VR 187

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INTERNATIONAL DATELINE

International Dateline is written by the International Programs of the Council on Foundations, an association of foundations and corporations that serves the public good by promoting and enhancing responsible and effective philanthropy.

March 14-16, 1996

International Conference on "Nonprofit Management Education 1996: A U.S and World Perspective"

Berkeley, CA

Contact: Kathleen Fletcher,
Institute for Nonprofit Management
415/750-5184

April 1-3, 1996

The 7th Global Warming International Conference & Expo

Vienna, Austria

Contact: Conference fax hotline
708/910-1561

April 22-24, 1996

47th Council on Foundations Annual Conference

Atlanta, GA

Contact: Julie Babnis, Council on Foundation
202/467-0437

May 15-17, 1996

Binational Conference on Philanthropy and the Border

Ciudad Juarez, Mexico

Contact: Helen Seidler, Council on Foundation
202/467-0391

July 18-21, 1996

The Second International Conference of the International Society for Third-Sector Research

Mexico City, Mexico

Contact: Margery Berg Daniels, International Society for Third-Sector
410/516-4678

Sir Roy McKenzie: Trustee Liability

On Thursday 2 November NZAPT arranged a seminar "Judicial Review- Should this process be applied to trustee decisions ?"

There has been discussion both overseas and in New Zealand about the responsibility of trustees and the process of decision making in the allocation of funds. This has been coupled to the liability of managers and directors under the new Companies Act.

Sir Roy McKenzie as Patron of NZAPT addresses this aspect of trustee responsibility when he spoke to the Association conference last November. Sir Roy's comments are published here.

In the UK and Australia there is an increasing concern of the potential personal legal liability of managers and board members as well as the non-profit organisation.

Until recently the "halo effect" partly protected non-profit organisation as regulators weren't keen to be seen prosecuting a halo organisation.

With the more recent widespread use of insurance for risks such as public liability and professional negligence, the plaintiff is perceived as suing the insurance company and more claims are being made.

In Australia recently in the National Safety Council case an individual director was sued successfully for \$90 million and there have been several local personal injury cases. In some cases this has led to board members being reluctant to serve because of the risk of personal liability. Insurance cover can be costly and does not always provide full cover.

The lawyers of course are not slow to see a lucrative market! In the States they have already passed legislation to protect volunteers and non-profit organisations. In New Zealand there is no legislation giving any protection to managers and board members of charitable trusts.

Trustees are personally liable for breaches of trust to the charity as well as to third parties and will not always be indemnified out of trust monies.

Of concern is that trustees are required to reimburse out of their own funds any money spent that falls outside the purposes of the trust. All this is beginning to make recruiting staff and boards difficult.

The nature of the exposure can be:

- (i) from the person who created the Trust, for acting in breach of the terms of the Trust; or
- (ii) from the beneficiaries of the Trust, for the same reason as (i); or
- (iii) from the third parties dealing with the Trust, ranging from financiers (if the Trust borrows money) to employees, contractors or the recipients of the charitable service provided by the Trust.

Liability will only arise if it can be established by a claimant that the Trustee acted:

- (i) in breach of the terms of the Trust; or
- (ii) dishonestly; or
- (iii) negligently; or
- (iv) in breach of any contract entered into by the Trust.

The degree of the exposure depends upon the nature of the Trust.

Trustees of a purely philanthropic trust which simply has control of a pool of money or investments for distribution from time to time to charities or public causes have less exposure to risk. Their greatest risk is from the loss of the corpus of the Trust. Acting in compliance with the Trustee Act should eliminate risk.

There is more exposure to risk by trustees of a Trust formed for the running of a commercial type of activity, e.g. Sesqui, Capital Discovery Place, or the provision of health services.

A trustee's job is no longer one for amateurs or people of routine minds. It requires as much acumen as any of the other professions, perhaps more. We need to be more proactive and accountable to justify the privilege we have as trustees. That is going to require energy and intelligence. We are fortunate to have the freedom to work at that and to act and we will because we are a more caring community than most.

ATTENTION TRUSTEES - The Prudent Person Rule Is Here!



Mr Bernie O'Sullivan, Manager Research - Trustee Corporations Association of Australia

Recent changes which have been introduced in South Australia¹ and proposed in Victoria² and the Northern Territory³ should have trustees reaching for their trust deeds. The changes substantially alter the investment obligations of trustees and impose a far greater onus on trustees to invest funds prudently.

Coined the 'prudent person' rule, the changes essentially replace the old 'authorised list' of investments provisions with new rules which require the trustee to consider various factors when investing trust funds. Of course, where the trust deed itself contains investment powers which override the Trustee Act(s), then the new provisions will not apply. However, it is understood that many trusts, in particular charitable trusts, rely heavily on the provisions of the Trustee Act in their relevant jurisdiction.

Subject to the terms of the deed, the new provisions apply to all trusts, regardless of when they were created.

The new legislation imposes a greater burden on trustees to properly manage trust assets and relieves State Governments of the need to keep and review authorised lists.

Similar legislation has been in operation for some time in America and more recently in New Zealand.⁴

The 'prudent person' rule was first laid out by Justice Putman in the American case of *Harvard College v Amory*⁵. In considering the role of the trustees in investing trust funds, Putman J. rejected the English Rule and said:

"All that can be required of a trustee to invest is that he shall conduct himself faithfully and exercise a sound discretion. He is to observe how men of prudence, discretion and intelligence manage their own affairs, not in regard to speculation but in regard to the permanent disposition of their funds, considering the probable income, as well as the probable safety of capital to be invested".

This statement still forms the basis of the 'prudent person' rule in America. Central to the rule is the view that prudence is a test of conduct, not of investment performance.

Features of the rule include:

- . management and measurement on a "portfolio" basis rather than the return on each individual investment.
- . consideration of a number of factors including diversification, taxation, costs etc. as they apply to each individual trust.
- . acceptance of the need for fiduciaries to delegate in cases where they do not have the necessary experience or expertise.

One of the main components of the Australian legislation is a list of factors⁶ which a trustee must take into account when exercising a power of investment. Such factors include:

- . the purposes of the trust and the needs and circumstances of the beneficiaries.
- . the desirability of diversifying trust investments.
- . the need to maintain the real value of the capital or income of the trust.
- . the liquidity and marketability of the proposed investment during, and on the determination of, the term of the proposed investment.
- . the costs (including commissions, fees, charges and duties payable) of making the proposed investment.

Importantly, the trustee must take all of the listed factors into account, so far as they are relevant to the trust. It is suggested that a trustee should keep written records which display the steps taken when reviewing trust investments and which provide evidence that, where applicable, consideration has been given to all of the listed factors.

The legislation requires the trustee to review the investments of a trust at least annually⁷. It is suggested that in almost all cases a more frequent review would be necessary. Again, a trustee should keep a record of any review - even if no changes to the investment portfolio resulted from that review.

Another feature of the legislation is that a higher level of care, diligence and skill is demanded from trustees whose profession, business or employment is or includes acting as trustee or investing money on behalf of others⁸. The most common examples of professional trustees are statutory trustee organisations all of which have qualified investment departments and state of the art computer systems to competently handle all investment and record keeping responsibilities.

Although the new provisions do provide a more onerous duty on most trustees, it is not the case that a fall in value of part or all of the portfolio will expose the trustee to liability. The crux of the prudent person rule is diversification of investments and because of this the Court, when assessing the performance of the trustee, will take into account the overall investment strategy adopted by the trustee. This means that the Court will not necessarily hold a trustee liable for a loss on, say, mining shares, if investment in those shares formed part of an acceptable investment strategy.

Legislative protection in this regard is given to trustees⁹ and protection is extended to allow the Court, when considering action for a breach of trust, to set off investment gains and losses.¹⁰

An important provision for trustees is the right to obtain independent and impartial investment advice and pay for this advice from the trust fund¹¹. Reliance on advice from such a third party will not automatically exonerate the trustee from any liability but will be taken into account by the court when making such an assessment.

When giving instructions to an advisor, the trustee should exercise extreme care to ensure that all necessary and relevant information is included to enable proper advice to be given.

When reviewing their trust assets, trustees of charitable trusts should also be aware of the difference between assets held for functional purposes (e.g. a church) and those held for investment purposes, and understand that their obligations may differ according to how the asset is classed.

Trustees who may be affected by these provisions should consult their trust deed and, if unsure of their obligations, seek advice from either a statutory trustee organisation or a legal firm which specialises in this area of law.

The Trustee Corporations Association of Australia is conducting a seminar on the Prudent Person Rule on Wednesday 14th February 1996. The guest speaker will be Mr Russell Davis, former General Manager of the New Zealand Guardian Trust Company Ltd. and author of "A Guide to Trustee Investment Under A Prudent Person Approach".

- 1 Trustee (Investment Powers) Amendment Act 1995
- 2 Trustee & Trustee Companies (Amendment) Bill
- 3 Trustee Amendment Bill (No. 2)
- 4 The Trustee Amendment Act 1988
- 5 26 (Mass (9 Pick) 446 (1830))
- 6 SAS.9; Vic. S.8; NT S.8
- 7 SAS.7(3); Vic. S.6(3); NT S.6(3)
- 8 SAS.7(1); Vic. S.6(1); NT S.6(1)
- 9 SAS.13C; Vic. S.12C; NT S.10E
- 10 SAS.13D; Vic. S.12D; NT S.10F
- 11 SAS.9(2); Vic. S.8(2); NT S.8(2)

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For Further Information

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A Community Foundation for Tasmania

Australia has another community foundation.

The Tasmanian Community Foundation (TCF) was officially launched on 6th October 1995 after five years of planning on the part of a small group of committed Tasmanians. As with the Victorian and Queensland Community Foundations, the TCF is a public perpetual charitable trust which provides individuals, families, organisations and corporations an opportunity to establish a charitable fund under its umbrella for the long-term benefit of their community.

The inspiration and driving force behind the TCF is undoubtedly the Founder Scott Marshall, a farmer turned outdoor-educationist, from Fingal in rural Tasmania. It was Scott's involvement with a group of young homeless people in Launceston in August 1990 which convinced him that a broader approach and longer term strategies were needed to address some of the problems confronting the community.

Using the experience of the Victorian Community Foundation, Australia's first community foundation set up by ANZ Trustees in 1983, and with the assistance of Tasmanian Trustees Limited who offered to act as trustees to the TCF, a Trust Deed was drawn up and the inaugural

Board meeting held in August 1994. Twenty board members from all regions of Tasmania were appointed and Sir Max Bingham Q.C. accepted the position of Chairman. The Tasmanian Governor Sir Guy Green is the Foundation's Patron.

The TCF is using offices in Hobart provided by the Tasmanian Government and an office in Launceston provided by Tasmanian Trustees. A part-time Executive Officer Nell Kuilenberg was appointed in August 1995.

Early grants have been received from the Australian Youth Foundation to undertake a youth housing project, from the R.A. Parker Settlement Trust administered by ANZ Trustees, from Alderman Dee Alty from Hobart City Council and from the Tasmanian State Government. The TCF is now seeking further funds to support local community initiatives in Tasmania.

Pamela McLure

Executive Officer

Victorian Community Foundation

The Tasmanian Community Foundation is located at Level 2, 1 Collins Street, Hobart.

Telephone: (002) 31 2620 Fax: (002) 31 2620.



Mrs Gillian Groom, wife of Tasmania's Premier, presents Scott Marshall with a cheque from the Tasmanian Government at the launch of the Tasmanian Community Foundation.

Media and Communications

At a recent workshop, Trustees were treated to an address from Paul Chadwick, the Victorian Co-ordinator of the Communications Law Centre. Paul took us outside the immediacy of day to day and strategic issues surrounding technology and communications to enlightenment of the 'wood beyond the trees'. This is typical of the work of the Centre which is significant because it throws light on considerations of worth that might otherwise not be publicised. It is an independent organisation but relies on funding to continue this work.

***'Where is the wisdom we have lost in knowledge ?
Where is the knowledge we have lost in information '***
T.S. Eliot, Choruses from 'The Rock' I

The Communications Law Centre is a non-profit research and teaching organisation established in Sydney since 1988 and Melbourne since 1990. It is affiliated with the University of New South Wales and is currently negotiating a complimentary affiliation with a Victorian University. In Sydney the Centre is chiefly funded by the

NSW Law Foundation, with assistance from other organisations and earned income. In Melbourne, it operates with a mixture of philanthropic funds and earned income. The issues we cover are national and the Sydney and Melbourne operations try to act as one, both to ensure coherence and minimise costs.

The Centre's guiding idea is that media and communications, whether privately or publicly owned, have an essential role and influence in democratic processes, cultural identity, personal autonomy, and in the nation's economy. We aim to encourage the development and operation of media and communications' services in such a way as to maintain and extend the diversity, quality and accountability of services available to the public.

We try to discern and articulate the public interest in the many issues arising from media and communications, to stimulate debate and to make the issues intelligible to the wider public as well as to interested parties and decision-makers.



Melbourne Staff of the Communications Law Centre L-R: Paul Chadwick, Victorian co-ordinator; Jenny Mullaly, legal researcher; Bruce Shearer, legal researcher; (absent: Victoria Marles, legal researcher).

What's Happening?

A combination of several technological developments are creating major economic and cultural change. Technology permits words, sounds and images to be converted into a series of digits and disseminated instantly, to one recipient or to thousands of different destinations, via telephone lines. Technology enables us to compress massive amounts of data into packets of digits small enough to send efficiently. At their destinations they are reconstructed as words to read, a film to view or voices to hear.

Computers, linked to each other by telephone, are rapidly spreading through business, institutions and homes.

These developments are often referred to as convergence: the coming together of activities we previously viewed as separate - publishing, broadcasting, telecommunications and computing.

This is the essence of the so-called 'information superhighway', a dreadful cliché but we are stuck with it.

Theme of Ambivalence

The most striking feature of the best thinkers in this field is their ambivalence.

On the positive side, the technology permits the creation of new kinds of information and allows it to spread wider and more easily than ever before. It collapses distance and increases options for international communications among ordinary people. It has generated massive amounts of new economic activity. Its potential in education seems enormous.

But adverse effects are forecast as well: concentrations of power that are not accountable; unequal opportunities for access; and loss of privacy.

Convergence is throwing up challenges to public policy; censorship rules; government publishing; broadcasting, radio communications and telecommunications law; public library funding; freedom of information law; arts funding; social welfare planning; and foreign investment and trade policy.

If philanthropy can make one single valuable contribution at this moment, it would be to ensure that this ambivalence is more widely explained to society and understood by public policy makers. It need not always advocate one outcome over another in the many policy contexts. Only the most arrogant pretend to such wisdom.

But healthy scepticism is required particularly because, amidst the clamorous hype, important issues are currently open for decision. Once resolved, the need for certainty for investors and the sheer weight of the technology will mean that the effects will be felt for some time.

Values as Guides

The Communications Law Centre recognises the complexity of the issues and is wary of panaceas. Instead it has tried to ground its work in underlying values. If these can be identified, articulated and adequately considered, then it increases the likelihood that decisions in all the myriad contexts outlined above will serve the public interest. Prime values include:

Access

Access for all, and to the several elements of the so-called 'superhighway'. They are -

- (a) the network of cables or 'road' currently being laid around the main population centre (but not so much in the bush, creating again a rural-urban divide);
- (b) the training in how to use the technology that gets you 'driving'. In this respect, public libraries and sufficient staff will be crucial in ensuring equity of access, especially for older Australians who may have less facility for the technology, but as much or greater interest in its benefits;
- (c) the content (the 'petrol' for driving on the highway). Here copyright law will be crucial, for it could permit hoarding and the creation of tolls that price many people out of benefits.

Privacy

The technologies increase enormously the capacity to store and cross-match data. Many of the applications foreseen for the superhighway implicitly require the wide dissemination of sometimes highly sensitive records about each one of us. Those who decline to participate may not be 'recognised' in an information society; they may become 'non persons'. What are to be the limits of liberty and personal autonomy in relation to the collection, storage and use of personal information? Must every person's 'zone of privacy' inevitably shrink?

Trust

A corollary of greater collection and dissemination of information is the problem of ensuring its integrity. 'Information pollution', created either through error or

deliberate manipulation, will assume increasing importance. Already parliamentary inquiries are wrestling with such issues, including pornography, racism, defamation and other harmful content on the Internet. These questions differ from previous censorship debates, particularly because the on-line world, or 'cyberspace' as it is known, is not just another medium like print or radio or TV. It is a 'place' where people from all over the world meet for conversation and debate in 'real time'. It is also a 'postal service' (E mail) and a community 'noticeboard'.

Sovereignty

The new communications technologies know no geographic or political boundaries. The tendency towards concentration of control, evident on a national level in Australia as in other countries, is also evident on an international scale. Is local control of media and communications an element of sovereignty? How can local content be ensured so that distinct cultures, especially those that use English, are not overwhelmed by Hollywood? What should sovereignty mean in a 'global village'?

Coherence

We have grown used to the mass media as a kind of meeting place where we can 'gather' to listen to other views, mediate our differences or at least learn, at one remove, to tolerate them. Imperfect the mass media may only be, but they are important to the modern sense of democratic community. But the technologies suggest that the 'mass' may depart from mass media. If every person can create his or her own information palace, where is the village square? How will society cohere?

Some Practical Examples of the Work

Above all, we try to be useful. Where a need is discerned, we attempt to help meet it. In small cases, our resources or network of volunteers may be enough. But when a broad need is apparent, we try to place intelligent analysis in front of the relevant public policy makers or service providers.

For example:

1. Children's Radio

Although almost 20 percent of Australia's population is aged under 12, there are no radio programs for them (besides some distinguished work by Radio for the Print Handicapped and some small community operators). We ferry kids in cars equipped with radio that lack content designed for them. We constantly lament the effect of TV on kids, but have forgotten the learning and pleasure that

the wireless provided in our own childhoods. With support from the Reichstein Foundation, the Centre analysed the problem, defined the issues, considered international models and brought the creative people together with the broadcasting policy makers. One heartening result was high-level recognition by the ABC that children's radio was a neglected field that they should address.

2. Retransmission of free-to-air TV signals by pay TV operators

Recently, free-to-air TV networks used copyright law to try to stop new pay TV operators from carrying in their cable services the networks' signals. The pay operators argued that they were just offering via a different technology the same signals that people could pluck for free from the air with a normal TV. But we found that thousands of Australians cannot get adequate reception of free-to-air signals - even after 40 years of TV - for various reasons such as large neighbouring buildings or topography. We proposed that in return for being allowed under law to carry the free-to-air signals on their cables, at no charge, the pay TV operators should undertake to connect to those cables, at no charge, those people unable to get adequate reception of existing free TV, whether or not they also subscribed to the pay service.

3. Information poverty and older people

For several years the Centre has used the term 'information poverty' to focus attention on the ambivalent potential for the Information Age to worsen social injustice or, equally, to ease injustice.

With assistance from trusts administered by the ANZ Trustees, we have been conducting forums for older Australians to learn what they know about the so-called 'information superhighway', what they need and what they hope for. About one fifth of the population are over 55 and the proportion is rising. They explained how difficult it can be for those with failing eyesight to read the screen of a computer or an automatic teller machine. They relate how off-putting it is to confront the jargon of sales people who can make you feel that you are inadequate if you do not already share their language. They lamented how much trouble a person with arthritic fingers can have with tiny buttons or a TV remote-control handset. They fear that the shift from free TV to pay TV will reduce the services for the many older people on low incomes.

Equally, they have high hopes that the hype they hear through the media will mean that they, too, will be

participants in the dawning information society. They do not want to be marginalised; and they recognise the potential of the technology to maintain connections when their physical mobility diminishes. They think that the technologies will keep them in touch with their grandchildren, who show such a remarkable facility for the technologies.

We are feeding the results of the project back to representative organisations of older Australian and into relevant agencies of the Victorian and NSW State Governments.

Why The Work Matters

The primary question (for those who work at the Centre as much as for those who might consider funding it) must be: why does this work matter? In brief, our answers are:

Showing what is possible: Convergence means opportunities, not just problems. But people who could benefit most from the opportunities need to become aware of them. The Centre's educative role helps that process. Armed with knowledge, people are usually the best judges of their own interests.

Counterbalancing media self interest: The existing media usually have strategic commercial interests in developments in this particular field, and these conflicts of interest tend to limit coverage and debate of what are crucial matters worthy of analysis and wide-ranging discussion. If this is absent or limited or self-interested, then organisations such as the Centre can fill some of the gap.

Preventing 'information poverty': The technologies, unwisely managed, have the potential to increase the gap between haves and have nots in Australia, especially where age or lack of English are barriers to technology use, or lack of resources limits educational use in many schools.

Fulfilment for non-employed people: If it is true that the amount of work is shrinking and many people are doomed never to be in full-time employment, the information technologies will need to be harnessed to the task of giving every person opportunities for fulfilment in education or even simply communication. They are not a complete answer, but a potentially important part of one.

Aiding civic society: The media's roles in dissemination of reliable information and the hosting of fair debate are crucial

to the quality of democratic participation and civic life at all times, but especially as Australia considers constitutional reform in the lead up to 2001. Freedom of speech principles suggest that it would be dangerous to ask governments to take charge of the process of holding media to account for its performance and the exercise of its power. Philanthropy has a legitimate role in funding scrutiny of the media, disclosure of its failings (as media continually disclose those of other institutions) and encouragement to better service.

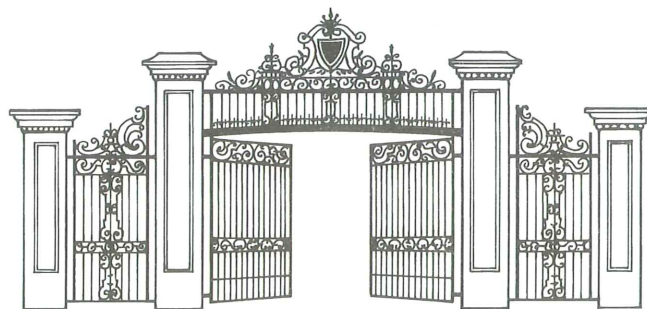
Contributing to Cohesion: A harmonious society is more likely when people feel some sense of connection within community, even if they are from diverse ethnic, social, economic or regional backgrounds, as in Australia. The information technologies can and should improve that sense of connection, not encourage the further withdrawal of individuals from broad community into smaller and smaller units, even into isolation.

Information ghettos, like any other, are unhealthy. The technologies offer far brighter prospects, but fulfilling them will require more than technological wizardry and market forces. It will take design, effort and care.

For Further Information:

The Communications Law Centre
1st Floor, Bank House
11-19 Bank Place
Melbourne, 3000
Tel: (03) 9642 0282
Fax: (03) 9642 0765

The Cranlana Programme



The Cranlana Programme is designed for leaders in business, government, the non-profit sector, the arts, the sciences and the media, whose responsibilities require of them breadth of experience, discernment and wisdom, and an openness to new perspectives and insights.

The Cranlana Programme offers to specially selected participants from all sectors of Australian society, and from overseas, the opportunity to take part in a unique programme of reading, study, and discussion, directed at enhancing their understanding of the philosophical, ethical and social issues central to creating a better Australian society, and to securing Australia's place in the world.

In small groups, meeting over several days, Programme participants address the vision and perspective of great thinkers of the past and the present. These discussions help them further strengthen their own decision-making and leadership roles, and reinforce their skills in practical reasoning, analysis and debate.

The Cranlana Programme is based on the belief that there are enduring values that underlie Australian society, and that these have their roots in the heritage of great thinking and writing from both the Western and Asian traditions. Accordingly, as well as considering the best contemporary material, participants study some of the enduring literature from the East and the West in which the intellectual, cultural and spiritual heritage of the past is to be found.

Background to the Programme

The Cranlana Programme has drawn its inspiration from **The Aspen Institute** in the U.S.A., established more than forty years ago to provide a forum at which business, government and community leaders might come together to reflect on the underlying values of contemporary society and to continue the liberal tradition of education.

In 1992, under the leadership of the late Ken Myer, **The Myer Foundation** decided that it wished to establish a similar centre for Australia. The Programme commenced in 1993. Its Patron is former Governor-General Sir Ninian Stephen, and its President, Baillieu Myer.

The Cranlana Programme is an independent, not-for-profit venture, initiated and supported by **The Myer Foundation**, and recovering its direct costs through programme fees.

Programme Elements

The centrepiece of the Programme is **The Colloquium**.

The Colloquium is an intensive one-week seminar. A series of readings from great classic and contemporary thinkers from both the Western and Asian traditions is provided to participants some weeks prior to the Colloquium, and is used as a starting point for intensive and focussed discussion.

Participants address key issues in leadership, the good society, the problems and opportunities of today and the issues to be faced in the future, nationally and globally. They are challenged to consider alternative and provocative viewpoints, to practise the skills of practical reasoning and open-minded debate, and to learn the value of careful and considered reading and informed reflection in dealing with complex social and human issues.

Under the guidance of a trained moderator, Colloquium participants learn from each other as they exchange thoughts, experiences and understandings in open round-table discussions, exploring such questions as:

- changing perceptions of key concepts of liberty, equality and community in Western and Asian thought, and the place of philosophical, ethical and historical perspectives in leadership and public policy debate;

- the complexity of contemporary insights and realities, particularly with reference to such issues as the relationships between the individual, the family, the organisation and the state; and

- major debates and controversies in contemporary society, including the tensions and trade-offs between efficiency and effectiveness, and between instrumentality and morality.

The Executive Colloquium is a shortened version of the Colloquium and offers, over three days, a concentrated version of the formal study components of the Colloquium.

The Colloquium is offered a number of times each year, and its content does not change. Offering focussed discussion on more specific issues is the **Symposium** series.

A **Symposium** is a structured examination of a particular issue or area of concern, using the same basic approach characterising the Colloquium. Symposia deal with such

topics as: *'Knowledge in the 21st Century'*; *'The Egalitarian Society'*; *'Corporate Accountability in a Changing World'*; and *'The Essentials of Democracy'*. Symposia are led by distinguished experts, and adopt a variety of formats; they may also be repeated, but generally not over more than a two or three year time span.

Forums invite people to join in a more exploratory inquiry into a subject, and may lead to a Symposium.

The Cranlana Programme also offers occasional **Weekends**, where people can explore the Cranlana approach in a short, focussed set of activities.

Throughout these various activities, the essential elements which give The Cranlana Programme its unique character remain: the careful reading of selected extracts from key texts, rigorous but respectful moderated discussion in small groups, and an openness to the many sources in which insight and wisdom is to be found.



Inaugural Cranlana Weekend July 24th & 25th, 1993

This approach also allows specific activities to be developed by The Cranlana Programme in response to requests from organisations or individuals wishing to offer the Cranlana experience to a group of people, or to explore a particular issue in this way.

Especially designed activities of this sort have a particular potential as a prelude to a conference or meeting, by enabling participants to establish the common ground from which to reach more specific outcomes.

An important element of The Cranlana Programme is the acknowledgment of Australia's international, and particularly regional, context.

Participation from the Asian region is encouraged in all Cranlana Programme activities, and Colloquiums and Symposiums are also conducted in other countries, in partnership with local institutions. An active partnership presently operates in Malaysia and others are being developed elsewhere in the region.

"Peopleare aware that the individual nature of their perspectives limits their ability to understand, let alone respond to, the structural changes they are beginning to feel. New ways of thinking will arise, of course, but only through the efforts of people. Nothing about it is automatic. The Cranlana Programme has the opportunity to catalyse some of this thinking". Colloquium participant

The Cranlana Approach

There are a number of distinctive and important elements to the Cranlana approach.

- The Programme is focussed around the disciplined examination of key readings carefully chosen from contemporary and classic writers.
- All discussions are guided by a skilled moderator and governed by disciplined analysis and open minded and respectful attention to all views.
- Learning grows from dialogue among peers rather than lectures from experts, and aims at developing judgement rather than mastering facts.

- Chatham House rules apply to ensure confidentiality, and no resolutions are moved or sought.

- The subject matter of The Cranlana Programme activities is not specific to particular organisations, professional positions or policy outcomes; accordingly participants are not expected to represent the organisation to which they are professionally attached.

- The Cranlana Programme is directed at established leaders across the key sectors of Australian society.

- Where appropriate, participants are encouraged to be accompanied by their personal partners as full participants.

- All activities of The Cranlana Programme extend beyond an Australian perspective to one which pays substantial attention to the outlooks and circumstances of the Asian region. This is reflected in the readings, the topics and the participants.

Participation in The Cranlana Programme is valuable to those who:

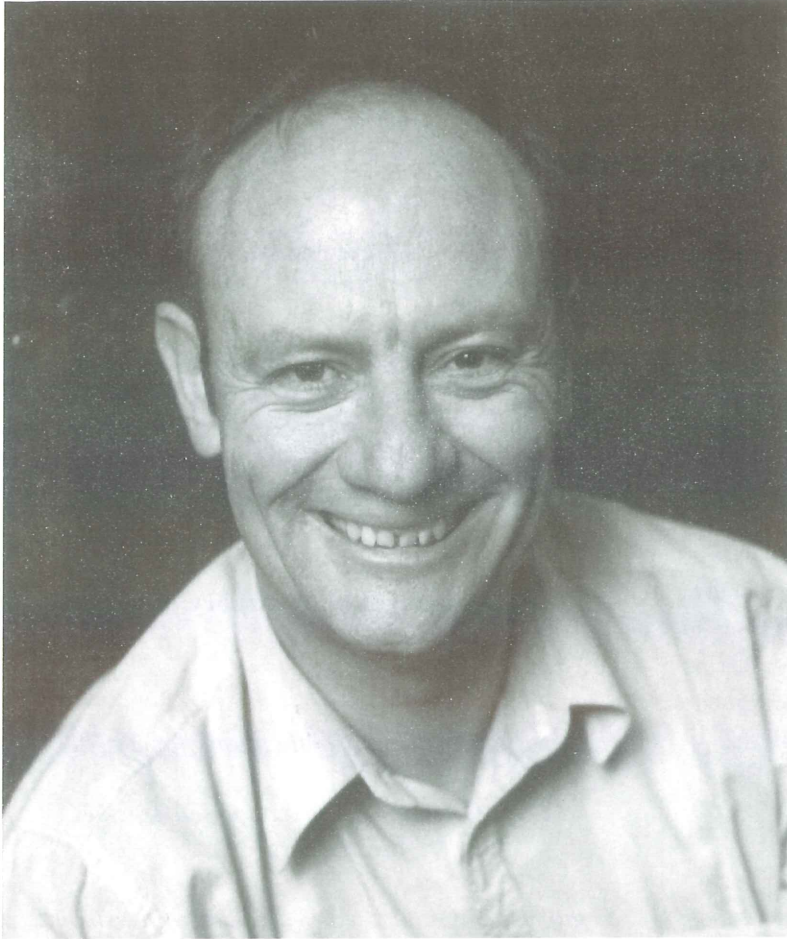
- lead organisations;
- manage relationships with a diverse group of constituents;
- influence and shape public policy and discussions;
- operate in international networks.

In recent years the ever-growing amount of information available to those in positions of responsibility has been accompanied by escalating uncertainty and confusion about the challenges and opportunities which we face in the world. The primary objective of The Cranlana Programme is to add a new level of thoughtfulness, breadth and understanding to leadership and discussion in Australia.

For Further Information:

Michael Liffman or Moya Mills at
The Cranlana Programme (03) 9827 2660

We are Living in a Rapidly Fragmenting Culture



Rev Tim Costello - Director Urban Mission, Collins Street Baptist Church

A speech by Tim Costello at The Australian Association of Philanthropy's Annual Trustees Dinner held on October 11th at the Athenaeum Club.

The frameworks to govern life that we have inherited from the past are under assault. People under 40 no longer trust the institutional structures that once governed our life. In fact, anything that we have inherited from the 19th century is under attack, whether that be the military, government, law, church, unions or institutionalised welfare. The idea that there is an integrating centre to life has been radically challenged. Post modernism would declare that there is no one centre but many centres. As Yeats may have anticipated in his 19th century poem, 'The centre no longer holds.'

In such a fragmenting culture the experience of community is rapidly changing. Whereas the 1930's depression saw our community ravaged by physical and material want, the 1990's is seeing the savage appearance of great relational want. A deserted mother in the 1930's would find casseroles turn up on her doorstep and the men of the street playing football and cricket with her sons. In the 1990's we do not have nearly as great material poverty because of a more adequate (although not complete) welfare net. However, loneliness, absence of friends and loss of community has caused great personal isolation.

In this State of Victoria, the dismantling of local government which, according to an Irving Saulwick poll in May 1992, was the only tier of government where people felt they could participate and make a difference, has intensified some of that loss of community. With the amalgamation of the local government into huge administrative units, the loss of both localness and the loss of governance is being acutely felt. The absence of democratically elected councillors across the State for a period of up to two years has only strengthened the sense of a local participatory culture fragmenting. Many communities expressed their cultural life institutionally through local government and the shift to treating them as customers rather than citizens has been debilitating.

The very language of the '90's has changed from a relational, community-based language to hard-edged language of inputs and outputs, customers rather than citizens, private as preferred over public and user-pays dominating older notions of the common-good. This language is very striking in its shaping of reality. When we spend money on public transport it is regarded as **debt**. When we spend money on freeways it is regarded as **investment**. The loss of safety on our public transport and in our public parks causes even greater shrinkage into

a privatised world. Most people live within the womb of their homes and travel in the womb of their cars to their social functions or work, thus exaggerating the privatisation of life. Never before has the need been greater to re-claim public transport, public parks and street parties. Many have commented that looking out for our videos and TV's in a neighbourhood watch now needs to extend to caring for each others' children and social well-being.

Fundamentally, the interconnectedness of life is being diminished in the public policy area. The connection between the Premier's cultural captivity (for mainly financial reasons) to a huge venture such as Crown Casino is an example. His trumpeting in the press of how Crown Casino is a future vision for Victoria fails to appreciate the connectedness of those statements to people whose lives have been destroyed by addictive gambling. It's interesting to note that gaming and vice were once placed together in our police department. This recognised that gaming was a reality on the margins of society that needed to be regulated. However, the Premier has lent the authority of his office to commending gaming and particularly Crown Casino. Gaming was something at the margins of society to be regulated but has been placed at the centre of the Premier's vision for the future recovery of this State. This ignores interconnectedness of life that seeks to reinforce values in the public domain that make it easier for people to do good rather than act in addictive ways in their private lives.

For Further Information

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Fax: (03) 9650 7936

**Trustee Corporations Association
of Australia
(Victorian Council)**

invites you to attend

**'THE PRUDENT PERSON
PRINCIPLE'
(A Seminar for Trustees)**

Presented by

RUSSEL L. DAVIS
B. Com, ACA, ACIS, MET1

**(Previously General Manager of
New Zealand Guardian Trust)**

Wednesday 14th February, 1996

Topics:

What are the practical implications for Trustees ?

*What will happen to authorised trustee
investments ?*

Legal aspects and theory of trustee investment.

Experience of Trustees in other countries.

Obligations and disciplines imposed on trustees.

Need for an investment strategy.

Tests of prudence.

Keeping records

Obtaining advice.

**Enquires to Natalie Ross
Trustee Corporations Association
(03) 9670 5169
\$25 per head**

Joseph Rowntree : Businessman and Philanthropist



Joseph Rowntree 1836-1925

'Much of current philanthropic effort is directed to remedying the more superficial manifestations of weakness and evil, while little thought or effort is directed to search out their underlying causes.'

This is an edited version of a talk given by Steven Burkeman, Trust Secretary of the Joseph Rowntree Charitable Trust in York, UK, to the Inaugural William Buckland Forum on 10th October, 1995 at the ANZ International headquarters; and on the occasion of the Australian Association of Philanthropy Annual Trustees' Dinner held on 11th October, 1995 at the Athenaeum Club - both in Melbourne.

Joseph Rowntree: Businessman and Philanthropist

On Monday March 2 1925, the newspapers in England - and doubtless in Australia too - reported an earthquake in New York. But in the northern edition of the Daily Mirror, there was a much bigger story covering the front page, with a big photograph of crowds of people walking past a newly made grave. The caption was 'Funeral of Mr. Joseph Rowntree at York.' JR as we know of him died at

the age of 88, after a working life of 70 years spanning the end of the age of the stage-coach through to the start of the age of air travel.

Mention the name Rowntree today to people in the UK, and most of them will refer to the chocolate and confectionery manufactured by the Rowntree company, though sadly that is now owned by Nestle. Press them a little further, and the chattering classes at least, and quite a few others, will talk about the Rowntree Trusts and the life of JR - a Quaker business man.

When Joseph Rowntree was a young man at Bootham School in York his father was commissioned to carry out an inquiry into the effect of the potato famine on the peasants in Ireland and to organise relief. He decided to take JR with him and the human incidents of that visit left ineradicable impressions on Joseph's mind.

So what exactly was the inheritance which JR left? First there is the company. Swallowed up by Nestle in 1988 in a bitterly fought take-over battle, it is a large food company producing much more than just chocolate. JR's business flair built it up from employing a handful of workers in 1868 to employing 4,000 in 1906. By 1988 it employed 5.5 thousand people in York alone and was responsible for household names such as KitKat, Fruit Gums and After Eights.

JR developed some rather remarkable employment practices. In 1885, when the business was barely surviving he used his own money to start a library for his employees. (Today's equivalent would be a computer room with free on line access to the Web with training). He later established a debating society, and arranged concerts and other festivities. He established a company retirement pension, and provided housing for his employees, mostly in the village of New Earswick, which continues today as an unusual social experiment run by our sister trust, the Joseph Rowntree Foundation. In 1891 he appointed a woman to a management position. In the UK there are precious few women on the boards of major companies even now.

This was a man who would later write - to his fellow directors - that *"when we consider the conditions under which the great majority of the adult workers in the cocoa works live, we shall realise how little most of the daily work tends to the enrichment of life."*

He commented with warmth on a proposal in a book that there should be taken *"the important step of endeavouring to prevent the businesses and industries of the town from being organised for the sake of making profits or dividends for individuals, and seek to replace the self regarding financial motive by the motive of service to the community. We mean that all the production of new town shall be for use and for the enrichment of life, and not undertaken merely because it can be made to pay..."*

On 24th April 1919, at the age of 82, JR sent a remarkable memorandum to his fellow company directors.

"The proposition to which I seek to win a mental assent may be given thus:

1. The present industrial organisation of the country is unsound for the following, among other, reasons:

a) It is based on competition - a euphemism for industrial war.

b) It has divided the country into classes - the holders of capital on the one side and the workers on the other, who have separate interests and are largely antagonistic to each other.

c) It is a system which has so worked out that "large masses of the people are unable to secure the bare necessities of mental and physical efficiency"

2. That a firm such as ours, which seeks to minimise the evils of the existing system, necessarily occupies a transition position, and its capacity for helping in social advance will greatly depend upon the frank recognition of this transition position.



Steven Burkeman - speaking at the William Buckland Foundation Forum at ANZ International Headquarters in October 1995. Photo courtesy 'The Age'.

3. *That the goal, whatever may be the exact form which it takes, should be one which 'should gain for oneself and seek to ensure for others a fuller life on all sides, the fullest life of which the individual is capable.'*"

As well as his awareness of the evil of poverty, Joseph was well aware of the corrupting influence of having too much money - and with the agreement of his family, in 1904, when he was 68, he decided to give away the vast bulk of his not inconsiderable fortune. He set up three trusts, which still bear his distinctive approach to philanthropy today.

In 1865 Joseph Rowntree wrote:

"Charity as ordinarily practised, the charity of endowment, the charity of emotion, the charity which takes the place of justice, creates much of the misery which it relieves, but does not relieve all the misery it creates" (Rowntree J. *Pauperism in England & Wales* 1865)

In a key document of guidance he expresses the ethos he wished to nurture in trusts.

"Much of current philanthropic effort is directed to remedying the more superficial manifestations of weakness and evil, while little thought or effort is directed to search out their underlying causes. The soup kitchen in York never has difficulty in obtaining financial aid, but an inquiry into the extent and causes of poverty would enlist little support."

With the wisdom of hindsight, it is possible to be critical of one omission in this approach - the question of political will. There is a touch of naivete about the idea that once we have identified the causes of problems, the remedying of them will be a relatively simple matter. Some might argue that we must persuade those in power to address those causes. That philanthropy address causes and be radical are strands embodied in the activities and policies of the three Rowntree trusts today; the Joseph Rowntree Foundation which through its social policy research addresses underlying causes (then seeks to persuade those in power to act on the findings); the Joseph Rowntree Reform Trust which is a political organisation without the tax privileges of charity; and the Charitable Trust.

The JRCT works on racial justice (in South Africa and in the island of Ireland), on poverty, democratic process, peace issues and others. JRCT also funds work seeking to ensure companies recognise the responsibilities of good corporate citizenship.

We are significantly involved in developing the ethical investment movement in the UK, which now handles some 500 million pounds of investments. We have worked with others to create a successful centre aimed at helping companies develop ways to ensure employees with concerns about company practices - say safety or financial probity - can be heard and responded to. The Centre further provides confidential support to employees who see no other alternative than to take the brave and dangerous step of 'whistle-blowing'.

We have worked on a project to produce a body of literature aimed at empowering stakeholders - shareholders, employees, consumers - by publishing information about the behaviour of companies in the workplace, in their communities and in relation to the environment.

One commentator wrote that there was in Rowntree an unusual fusion of the idealist and realist, and his dreams were always kept within the firm grasp of an instructed and practical genius. Those who knew him have emphasised that he coveted business success first as a means of achieving social service. That perhaps is the challenge to business today.

For Further Information:

Joseph Rowntree Foundation
The Homestead
40 Water End
York
U.K Y03 6LP
Tel: 01904 629 241
Fax: 01904 620 072

Morry Fraid on Breaking the Cycle

Speech by Morry Fraid, Managing Director of Spotlight Stores Pty Ltd, at the Australian Association of Philanthropy's Annual Dinner, 1995.

I tend to think of myself more as a businessman and an entrepreneur, not a philanthropist, which has more the overtones of providing charity or of giving to the needy.

According to the Dictionary, Philanthropy is the act of promoting betterment of humanity and of adding value to society. Therefore, in some way I suppose a businessman might be considered a philanthropist. Certainly, business is about adding value, at the very least to our customers. In fact, the more significant that value, the more success can be assured in the long term. But to be successful, it is important to add value to our other stakeholders - our staff, our suppliers, not to mention our shareholders.

In my definition, an entrepreneur is not simply someone who takes risks with other peoples' money, or acts as an opportunist exploiting the market for personal gain and in it only to make a fast buck. What is an entrepreneur? To me the underlying issues are passion, commitment and values.

A passion is necessary to create enterprise and to provide products and services. We do this well at Spotlight. There are now 60 stores, we have our first overseas venture in Singapore and we employ 220 people, with over \$270 million in sales. We enjoy growth which is averaged at 20% per annum, which in commercial terms can be certainly considered successful.

However, our sweetest success has unequivocally been our youth employment program and our working relationship with 'Breaking the Cycle'. This relationship has enabled us to provide 75 jobs for disadvantaged young people.

When a business talks about values, it has something to do with what is the purpose behind what we do? What is important to us. It raises questions about Ethics. It often requires us to address what needs to be done differently today than in the past.

On a superficial level, the purpose of business might be seen as simply to make money - to eat, drink and be merry. But a successful business today must value success, act with integrity, and constantly develop win/win relationships. To succeed, we must value excellence, commit to constant improvement and learning, and above all, value people. This is how a modern business can best exercise its responsibility to its stakeholders. Those stakeholders are our customers, staff, shareholders, suppliers and the community in which we live and make our living!

A major 'eye-opener' has been the Burdekin report on the homeless and on street kids. There are hundreds of thousands of disadvantaged young people who may have come from abusive family situations. Society also needs to be concerned at the needs of disadvantaged old people, whose condition might often be described as criminal.

What sort of society are we trying to create for our kids?

In 1992 the Kelty/ Fox initiative was a challenge we at Spotlight were keen to embrace. We tried it, but with no success. In many instances the kids were not ready for work. They had developed lifestyles which were work-shy.

In June 1993 however, we came in contact with 'Breaking the Cycle'. It was very subtle, our first involvement was providing a morning training session on negotiation skills.

In August, 1993, Paul McKessy, the Director of 'Breaking the Cycle', challenged me to become committed to making a real difference 'to the lives of young people' since, as he argued, "All Australians share responsibility for the problems of the community."

The training which is provided to young people by 'Breaking the Cycle' focuses on beliefs, attitudes and values. It aims to build on skills and knowledge. We were presented with a proposal for DEET funded training and a Jobstart subsidy. We initially agreed to provide 30 jobs and, if successful, 20 more. Our costs in a full year were 30 x \$8,000 which equals \$240,000 as the cost of this experiment.

Our number one challenge was convincing DEET of the need to establish manuals. They normally train young people and hope for a job at the end. We offered the job up-front and we found we had a 40% success rate. After 5 months they agreed to pay for only training.

Challenge number two was to convince our own store managers. We operate a profit share scheme and any mix up could easily affect their own bottom line. We needed them to be empowered to make a difference and they were required to nominate for the role of mentor.

Challenge No three was to convince other staff. They had to be placed in a position which might risk their own job. In fact, we found 100% support for the project. In this way we were able to ensure ownership at the local store level for the project.

Recruiting was not easy, CES found eligible applicants and we interviewed them. We organised a Melbourne orientation day and I met a very mixed bunch. I have to be honest and admit that the uppermost question on my mind was 'What am I getting us into?'

The program provides for 9 days wilderness training, which is meant to provide a metaphor for their lives to date. The aim is to provide 'challenge', to invoke responsibility, and to experience the benefits of teamwork. They take part in kayaking, mountain biking and hiking. In this very first program they got lost, climbed up a mountain, ran short of food and, eventually, arrived 3 hours late at Ontos, a vegetarian, health retreat. Something out of the comfort zone of kids who had been on a staple diet of big Macs and Coke and something which was a shock to the system.

Waiting for them to arrive was a worrying time. However, to see them march in so proud is something I will never forget, despite the fact that they had not had showers for 9 days.

ONTOS is a program about life skills. It addresses attitude, habits, communication skills, personal issues involved in managing relationships and the need to take personal responsibility to get on with life. It was not a case of charity, this was something that was entirely up to them.

The next stage is back to Melbourne and an introduction to business skills, to our products and our systems. We undertook a program of Mentorship-based training. We had to learn how to best lead and manage young people in

order to support their growth. We found that this was useful management experience for all staff.

Finally comes the graduation. It is truly inspiring see the transformation that can take place in these young people in only 6 weeks.

However, their graduation is only the first sign of their success. They are expected to be on the job the following Monday. All in all the feedback was fantastic, in fact these recruits are now considered by our other staff as the 'advantaged ones'. They come to the task competent and committed, now other staff want to do the training program. We can gauge the success of the program through the number of customer compliments we receive.

We at Spotlight are convinced of the successes and the benefits, so much so that we have already committed to a second program of 30 jobs with another 15 to follow. Since our involvement a number of other companies have joined in, including Hilton Hotels, Pizza Hut and McDonalds.

We consider our involvement with these young people a clear win/win situation for us at Spotlight. Our staff have a real sense of having helped the local community, these young people are no longer a drain on government finances or on society. More significantly, we have been able to account for an investment return greater than 0.4% of sales and a reduction in payroll costs.

Why is it important for business to do something? In reply, let me share this Starfish story. It relates to an old man and a young girl who was walking along the beach, just above the high water tide mark and frantically throwing as many of the stranded starfish back into the sea. As she reached the old man, he questioned her on what possible difference she thought she might make in trying to save so few when so many were stranded. At this stage, she looked down at the starfish in her hand, looked up into the old man's eyes, and threw the starfish into the ocean saying, "It will make a difference to that one".

'Breaking the Cycle' is only 4 years old. In that time it has been able to make a difference to the lives of 400 such Starfish. Next year it plans to help 400 more. It is in the process of training trainers and building the infrastructure. What they need most is the money to continue and the offer of more jobs from more businesses like ours. It is now my turn to challenge others to take up this opportunity to make a difference to the lives of young people.

Notice Board

THANK YOU TO...

Sponsorship...

Dame Elisabeth Murdoch for kindly sponsoring this, the 27th and Summer issue of Philanthropy

Monthly luncheons...

Perpetual Trustees for hosting the final bi-monthly luncheon for 1995 on November 17th.

Ian Allen - Pratt Foundation

for speaking at the luncheon on collaborative funding.

Trustee Workshop....

Paul Chadwick - Communications Law Centre

Victoria Marles - Communications Law Centre & Circus Oz

Linda Sproul - Next Wave Festival Inc.

for presenting at the Trustee Workshop on Arts and Culture on 23rd October.

Joan Vickery - International Diabetes Institute

Jim Berg - Koori Heritage Trust

for presenting at the Trustee Workshop on Aboriginal Issues on 23rd October.

Freehill, Hollingdale & Page for generously providing the facilities for the Trustee Workshops throughout 1995.

Grantseekers Workshops...

KPMG for kindly providing the facilities for the Grantseekers Workshops throughout 1995.

Macquarie Bank for hosting the NSW workshop and

The Leukemia ESA Village for hosting the QLD workshop.

Annual Trustees Dinner...

Steven Burkeman - Joseph Rowntree Charitable Trust

Tim Costello - Collins Street Baptist Church

Morry Fraid - Spotlight Stores Pty Ltd

for speaking at the Annual Trustees Dinner at the Athenaeum Club on 11th October.

PUBLICATIONS AND WORKSHOPS...

Grantseekers Workshops...

The dates and venues for 1996 workshops are now available, please call the A.A.P offices on (03) 9614 1491 for further information.

Books for Sale...

For a current order form on the following publications; The Australian Directory of Philanthropy, Doing Best By Doing Good, Successful Submission Writing and The Generosity of Profit, call the offices of A.A.P on (03) 9614 1491 for further details.

'MAKE A WISH FOUNDATION'

The "Make a Wish Foundation" in Atlanta, Georgia, USA request that personal cards NOT be sent to them for an alleged cancer patient - one Craig Shergold. A chain letter is continuing to circulate around the world requesting cards be sent to them. Please help. Do not respond to this chain letter as the Foundation is keen to put an end to it.

Ten Reasons for Becoming Involved in Informed Giving.

“To give away money is an easy matter and in any man’s power. But to decide to whom to give it, and how large, and when, and for what purpose, and how, is neither in every man’s power - nor an easy matter. Hence it is that such excellence is rare, praiseworthy and noble.” Aristotle

Informed Giving is characterised as philanthropic giving carried out through the agency of a foundation.

There are thousands of reasons for becoming involved in informed giving. Here are ten of the best.

Informed giving:

1. *Provides an organised method of giving that is not ad hoc or based on arbitrary discretion.*
2. *Provides a structured yet flexible method of giving with clear objectives and outcomes.*
3. *Enables you to involve others in the giving process there by increasing self and community knowledge of an area of giving.*
4. *Can provide a tax efficient and planned method of giving, unequalled by any other form of giving.*
5. *Maximises the information available concerning grantseekers which individual philanthropy usually does not.*
6. *Can increase your, your family’s and your associates’ knowledge of society or an aspect of life.*
7. *Can encourage a social network of like-minded people to share their experiences and values.*
8. *Can focus your life objectives in a uniquely generous and giving way.*
9. *Can put you above the special interests which restrict the vision of most organisations or the practical concerns of a profession.*
10. *Has an independence of action unfettered by the market, funding bodies or the need to attract votes. It does not have to be subject to licences, accreditation or approval.*

***Extract from A Guide To Informed Giving
Funded by the Stegley Foundation for AAP, 1990***

The Australian Association of Philanthropy

CALENDAR 1996

Executive Meetings: Tuesdays at 9.30 am

27 February
30 April
25 June
27 August
29 October

Council Meetings: Tuesdays at 9.30 am

6 February - open council meeting
26 March
28 May
30 July
24 September
26 November

Members bi - monthly luncheons:
from 12.30 till 2.00

1 April
3 June
5 August
7 October

Sydney Chapter Meeting:

19 September
22 February

Annual General Meeting:

12 March

Annual Trustees Dinner:

9 October

Workshops: Melbourne

29 February
29 August
28 November

Workshops: Interstate

1 March - New South Wales
27 May - Western Australia
29 May - South Australia
2 September - Queensland
4 September - New South Wales

Council Planning Day:

10 December

as at 8th November, 1995

The Australian Association of Philanthropy Inc

The Mission

The Australian Association of Philanthropy Inc aims to promote more effective private and corporate giving in Australia. It was established to provide a strong, professional organisation to represent the interests of philanthropy. In particular, to represent large and small trusts and foundations from both the private and corporate sectors, as well as individual philanthropists.

The Membership

A.L. Lane Foundation
Andrews Foundation
Ansell Ophthalmology Foundation
ANZ Executors & Trustee Co. Ltd.
Australian Bicentennial Multicultural Foundation
Australian Youth Foundation
Body Shop
Brash Foundation
C.R.A. Limited
Clean Up Australia Foundation
Coca - Cola Amatil
Coles Myer Pty Ltd
Danks Trust
Deakin University Foundation
Education Foundation
Equity Trustees
Ern Hartley Foundation
Esprit Cares Trust
Estate of the late George Adams
Everald Compton Charitable Trust
Felton Bequest
Flora & Frank Leith Charitable Trust
Foundation for Development Cooperation Ltd
Freehill, Hollingdale & Page
G.M & E.J Jones Foundation
Garnett Passe & Rodney Williams Memorial Foundation
George Alexander Foundation
Gordon Darling Foundation
Goulburn Valley Base Hospital Foundation
Gualtierio Vaccari Foundation
H.V McKay Charitable Trust
Helen M Schutt Trust
Hugh Williamson Foundation
Invergowrie Foundation
Ian Potter Foundation
Jack Brockoff Foundation
Robert Kerr
L.E.W Carty Charitable Fund
Lance Reichstein Charitable Foundation
Law Foundation of New South Wales
Law Foundation of S.A. Inc
Lord Mayor's Fund

Lotteries Commission of WA
Mayne Nickless Ltd
McDonalds Australia Ltd
Miller Foundation
Monash University
Morialta Trust
Myer Foundation
National Australia Trustees Limited
National Mutual Trustees Limited
Perpetual Trustees Victoria Limited
Pethard Tarax Charitable Trust
Permanent Trustee Company Limited
Queensland Community Foundation
Queens Trust
R.E Ross Trust
R & J Uebergang Foundation
Rothschild Australia Ltd.
Royal Melbourne Institute of Technology
Rusden Foundation
Sir Albert Sakzewski Foundation
Sidney Myer Fund
Fleur Spitzer
State Trustees
Stegley Foundation
Sunshine Foundation
Telematics Trust
Trescowthick Foundation Limited
Trust Company of Australia Limited
University of Melbourne
Victoria University of Technology Foundation
Victorian Community Foundation
Victorian Health Promotion Foundation
Victorian Womens Trust Ltd.
W.L Allen Foundry Co Pty Ltd
Were & Son, JB
Western Mining Corporation Ltd.
Westpac Banking Corporation
William Buckland Foundation

CREDITS

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