



# philanthropy

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**36**

WINTER  
1998

## **Special Feature:**

Trends in Philanthropy  
Worldwide

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Philanthropy Australia.

# The President

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## speaks

**L**et me first welcome our new Board to what we feel will be both an interesting and challenging time for Philanthropy Australia. Our board is detailed in later pages of this journal.

I also thank our three retiring board members: Fleur Spitzer, Jill Reichstein and Don Aitken for their untiring efforts on behalf of Philanthropy Australia.

Now to some personal observations about philanthropic giving. Funding and resources provided by foundations will be mainly spent in communities since most applications for support come from community agencies. However support for community activities does not necessarily mean that foundations consider the nature of community in making grants. Frequently the response is reactive only - a well disposed and accountable project worth supporting.

The nature of local community is particularly difficult to describe or define. It can be geographic, administrative, electoral, commercial, and even sporting. There are some doubters who believe that local community is an outmoded concept and that we all now live in a conglomerate in which we circulate freely meeting our needs. But reflection quickly underlines that most people still belong and participate in their local communities in significant ways. Schools, health services, shopping, recreation, parkland, neighbours and familiar networks, special services meeting the needs of young and old are still a necessary, convenient, supportive and ontological part of our worlds. Community, also, is the cradle of citizenship. How do we preserve these dynamic environments and maintain ownership and leadership in local communities? Again, there are no simple answers but that does not mean that the issue should not be considered seriously.

The philanthropic community has endorsed a number of initiatives involving the development or recreation of community in recent years. The Reichstein Foundation has on several occasions sponsored programs of funding for country towns coming to grips with the exigencies of downturn and supported the community audit work of the People Together Project. The Steely Foundation has contributed to a local government project and approaches to community and social auditing, the Myer and Buckland Foundations interalia have supported the Rural Futures project, whilst the Brockhoff Foundation has encouraged self help projects in impoverished communities. In addition to these there are now community foundations in Victoria and Queensland, and Perpetual Trustees have just announced the intention of developing a community foundation.

These are all interesting, valuable and innovative projects, and other relevant examples could be adduced. My impression is that the time of an idea has come, and that we should all learn from the accumulated and pro-active experience.

**Ben Bodna, President**

# Executive Director's Report

This first half year has been dominated by the work involved in the round table. Members will be aware that this important government initiative brought together representatives from corporations, trusts and foundations and volunteer agencies, and was designed to encourage corporate and community partnerships. Following the round table, five subcommittees have been set up. These are:

- Information Gathering and Dissemination, chaired by Harry Sorensen, AO;
- Taxation Incentives and Disincentives, chaired by David Gonski;
- Facilitating Best Practice Partnerships; chaired by Ron Burke,
- Recognition of Outstanding Philanthropic Effort, chaired by Ian Spicer, AM;
- Education, chaired by me representing Philanthropy Australia.

Following its close involvement before and during the round table, Philanthropy Australia will participate in three of these five sub-committees. Other policy initiatives include improving the quality of information between corporation and community groups, promoting best practice and evaluation within the philanthropic community and encouraging research to assist corporate giving.

## **The recent Budget allocated \$13.4 million over the next four years to this area.**

Briefings on the round table initiative have been organised by Philanthropy Australia in Brisbane, Sydney, Melbourne and Adelaide and media interest has been high.

The round table brought to the surface the increasing tide of interest from corporate Australia in philanthropic activities in their communities. For some years, various corporations have

been quietly supporting activities within their communities of interest, building partnerships, creating goodwill and seeking ways to become better corporate citizens.

Recent Canadian research shows that this is no more than the public - often shareholders - expects. Occasionally one hears resistance from companies towards giving with the protest that company profits are "shareholders' funds" and that if shareholders want to give, then they have the option to do that privately. A recent study by the Canadian Centre for Philanthropy shows that in fact the Canadian public believes that corporations should be donating to charities at a far higher level than they actually are. The survey of 1500 Canadians showed that the public believed that corporations donate an average of 7% of pre-tax profits to community and charitable causes and should be contributing, on average, 13%. In fact, corporate charitable donations currently equal less than 2% of pre-tax profits.

On the international scene, Philanthropy Australia continues to build its networks. Among international visitors to be welcomed this half year are Dr Diana Leat, Senior Visiting Fellow at the Policy Studies Institute in London, who spoke at an Education Forum for members. Another eminent visitor to Australia was Professor Kathleen McCarthy, founding director of the Center for the Study of Philanthropy at the Graduate School of the City University of New York. Both were in Australia to speak at 'Community, Citizenship and Enterprise Culture' hosted by the Deakin University Centre for Citizenship and Human Rights. In November we will welcome Patrick Johnston, CEO of the Canadian Centre for Philanthropy.

As an Association, we look forward to the coming months. These are exciting times and we are pleased to be in the thick of the action.

*Elizabeth Cham, Executive Director*

**Philanthropy**

# Shareholder Survey from Canada

Shareholder survey finds Canadian corporation should be donating more to their community.

by Max Brem

## Public Expects Corporations to Donate More

Canadian corporations should be donating to charities at a far higher level than they actually are, according to a national opinion survey conducted for Imagine by the Angus Reid organization in late December.

The poll provides a broadly accurate picture of what the Canadian public is thinking on issues of corporate citizenship and social responsibility. Some 1,500 Canadians, representing a cross-section of the population, were interviewed for the survey.

In the public's estimation, corporations currently donate an average of 7% of pre-tax profits to community and charitable causes, and should be contributing, on average, 13%. In fact, corporate charitable donations currently equal less than 2% of pre-tax profits.

The public thinks that charities derive 20% of their revenues from corporations, and should ideally collect 30% from this source. In reality, corporations provide, at a most generous estimate, less than 2% of charitable revenues.

The poll supports what is already a growing consensus in the business world that corporations have a broad responsibility to contribute to society directly through donations in addition to providing financial rewards to shareholders. A clear majority of Canadians (62%) believe this to be so. A minority (37%) feel donations should be left to the discretion of individual shareholders.

Most Canadians (62%) believe that corporations should advertise their charitable giving. An even larger number (72%) concur with the statement that there should be a public record of how much a corporation gives. A majority, 53%, say businesses don't get enough credit for their charitable work.

## Shareholders Agree

The survey findings dispel any notion that people who hold shares or other financial investments in companies differ significantly on these questions from those who do not own company shares or investments. On almost every relevant question in the survey, shareholders' answers were broadly consistent with those of the Canadians public as a whole.

- 63% of investors feel that corporations should donate to charity as a matter of course, compared with 61% of the public in general.

- 69% of those who own shares, and 72% of the public at large, believe there should be a public record of amounts donated by corporations.

- On whether Imagine's current minimum standard for corporate giving of at least 1% of pre-tax profits is an adequate contribution, 77% of investors and 81% of the general public say no, it is not.

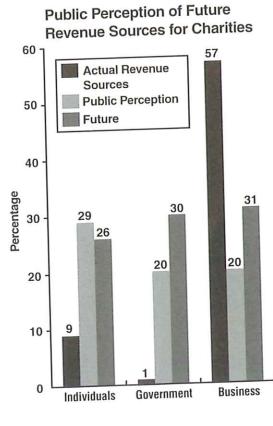
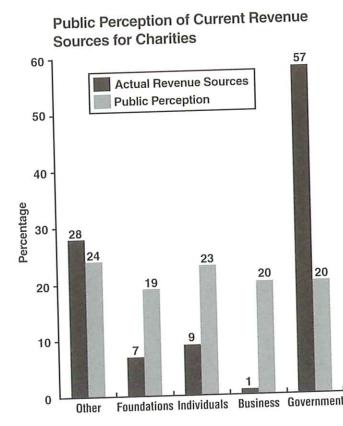
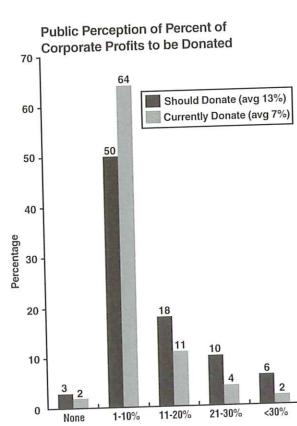
Summing up the poll results, John Wright, Senior Vice-President of the Angus Reid Group, concluded: "There is a clear desire on behalf of the public that corporations participate in their communities as 'citizens' who contribute to the well-being of society by way of more than a pay cheque, are accountable and are also given credit for what they do."

For additional information on the poll results contact Imagine.

New Directions is published periodically by the Canadian Centre for Philanthropy, 425 University Avenue, Suite 700 Toronto, Ontario M5G 1T6

Telephone: (416) 597-2293  
or 1-800-263-1178  
Fax: (416) 597-2294

The poll was weighted to reflect the census distribution of Canada. It carries a margin of error of 2.5%, 19 times out of 20.



## New Directory Selling Fast - 75 New Foundations Listed

The new edition of *The Australian Directory of Philanthropy* is now available and well on its way to becoming a bestseller. It lists over 300 trusts and foundations, with information about specific areas of funding, closing dates, contact names and addresses and telephone numbers. Copies are \$45 post paid, available from Philanthropy Australia.

**For further information contact:** Phone or fax credit card orders to Philanthropy Australia **phone 03 9650 9255**, fax 03 9654 8298, email [pa@philanthropy.org.au](mailto:pa@philanthropy.org.au)

## Australian Receives Cancer Research Award\*

Dr Suzanne Cory of Melbourne's Walter and Eliza Hall Institute of Medical Research and the Washington University School of Medicine in St Louis shares the Charles S Mott Medal (\$250,000) with Dr Stanley J. Korsmeyer of the Howard Hughes Medical Institute in St Louis. The award, from the General Motors Cancer Research Foundation, was for the most outstanding recent contribution related to the cause or ultimate prevention of cancer.

The General Motors Cancer Research Foundation was established in 1978 and has awarded more than \$8 million to 79 scientists in an effort to focus worldwide scientific and public attention on the progress being made in cancer research.

\**Philanthropy News Digest*

## Johns Hopkins Fellowship

Executive Officer of the Lance Reichstein Charitable Foundation,

Genevieve Timmons, will join Heather O'Connor as only the second Australian Fellow of the International Fellows in Philanthropy Program at Johns Hopkins University in Baltimore in the United States. Her research project will focus on the most successful partnerships between grantmakers and community organisations working for self help and advocacy on community issues. In preparation for her Fellowship to be taken up between January and May, 1999, Genevieve attended the Moscow Conference (see following item) and the Conference for The International Society for Third Research Sector at the University of Geneva.

## Myer Foundation Represented at Tenth Annual Johns Hopkins Conference

Mrs Neilma Gantner, Director, Myer Foundation, attended the tenth annual Johns Hopkins International Fellows in Philanthropy Conference held in Moscow and St Petersburg in June. The Conference topic was "Generating Private Resources: Developing Indigenous Philanthropy". All past and new Fellows met as a global network to learn about the current non-profit scene in Russia and to develop a sustainable strategy and steps for implementation to strengthen Russian civil society.

## Patrick Johnston to Visit Australia

President and CEO of the Canadian Centre for Philanthropy, Patrick Johnston is to visit Australia later this year. He will be in Melbourne in mid-November, to speak to members at a number of forums in Melbourne and Sydney, following his attendance at the New Zealand Association of Philanthropic Trusts Conference on November 4th and 5th.

## Potter Foundation Governor retires from Gallery

John Gough resigned from his position as President of the National Gallery of Victoria Trust in early June, having overseen a crucial period in the Gallery's history. Premier Jeff Kennett thanked Mr Gough for his commitment, dedication and leadership.

## Change of Governance at Volunteering Australia

Volunteering Australia has separated the roles of CEO and President, formerly both held by Margaret Bell. The new President is Victorian-based Sha Cordingley and Margaret Bell retains the role of CEO, operating from Sydney.

## Richard Pratt honoured

Congratulations to Richard Pratt, AC, awarded The Order of Australia, Companion in the General Division in the recent Queen's Birthday Honours List. The award was for "Service to the community, to business through expansion of employment opportunities, to development of cultural life and to philanthropy in medical research, education, sport and the arts. Philanthropy Australia is pleased to welcome the Pratt Foundation as a member.

## More congratulations

Janet Calvert-Jones, AM was honoured in the Queen's Birthday Honours List for "Service to children with hearing impairments as chair Advisory Council for Children with Impaired Hearing, to Murdoch Institute for Research into Birth Defects, and to the community as benefactor and supporter of charities".

## PHILANTHROPY Editor wins Journalist's award.

Joint editor of Philanthropy, Jane Sandilands has been awarded the 1998 Journalists Award given by Volunteering Australia. She received a framed bronze medallion and certificate of recognition "marking continuous high quality contribution to journalism about volunteering, particularly through her role as editor of CommunityLink magazine sponsored by the National Australia Bank".

## Philanthropy Workshops on Target

As funding becomes tighter, an increasing number of not-for-profit groups are attending the workshops run by Philanthropy Australia across the country. Learn how to tap into the most appropriate trusts and foundations, how to polish an application, establish new networks, meet those who write the cheques.

**Further information:** For dates, cost and further details, telephone Philanthropy Australia in Melbourne 03 9650 9255 or Sydney 02 9362 3264. Email: pa@philanthropy.org.au

## Williamson Leadership Program spreads its wings

The Williamson Community Leadership Program is currently calling for applications for its tenth intake. Victorian enquiries to 03 9651 6590.

And in New South Wales, a Leadership Program based on the Williamson model has just been launched.

**Further information:** Run by the Benevolent Society of New South Wales, More details are available on 02 9360 5888.

## RACV Foundation Appointment

Sue Roff takes up the appointment of Executive Officer of the RACV Foundation in mid-July. From the Melbourne Theatre Company, her role will be to generate support for the Foundation from RACV members and staff.

## Change at Fundraising Institute

The National Executive Director of the Fundraising Institute of Australia, Mark Hindle, has resigned to take up the appointment of Director, Fundraising, at the University of New England in Armidale. Mr Hindle's successor is Dr Wayne Clarke whose most recent role was as General Manager of the Victor Chang Cardiac Research Institute.

## Research - Philanthropic Mapping

Esther Lethlean, Co-ordinator at Philanthropy Australia will be taking part in an important research project 'Mapping the Philanthropic Sector' with the Centre for Citizenship and Human Rights (CCHR). The research project is one aspect of a developing strategic partnership between Philanthropy Australia and CCHR. It will result in a report on the major characteristics of Australian philanthropic grantmakers and grantseekers to be released to government and stakeholders in the philanthropic sector. The research will examine the social benefit of philanthropic grants and develop criteria for strategic rather than 'remedial' philanthropic grants. It will also examine the links between corporate citizenship and civil society.

# News & Views (continued)

## Relocation for Education Foundation

The Education Foundation has a new home at: Hour Glass Building, 4/252 Collins Street, Melbourne, 3000.

**Further information:** Telephone (03) 9650 4277, fax (03) 9650 5443. Email Address [publiced@creativeaccess.com.au](mailto:publiced@creativeaccess.com.au)

## The 1998 Helen Lempriere Travelling Arts Scholarship

A University of Western Sydney student has won the 1998 \$40,000 Helen Lempriere Travelling Art Scholarship. The richest of its kind in Australia, the scholarship is jointly funded by the NSW Government and the Helen Lempriere Bequest. The Bequest is administered by Perpetual Trustees.

Tony Schwensen, 28, joins artists such as Roy de Maistre, William Dobell, Rosemary Madigan and Eric Wilson, all winners of the award since its establishment in 1900 as the NSW Travelling Art Scholarship.

## SoundHouse goes Overseas

The Baxter Theatre Centre in Cape Town, South Africa, has become the first overseas site for the joint Brash Foundation and Victorian Department of Education initiative, SoundHouse.

BP SoundHouse at Baxter, funded by BP Southern Africa Pty Ltd opened on May 7, 1998 and with sixteen work stations will provide a valuable music technology resource for multi-racial use in the province. A Committee for SoundHouse Development in the province has begun positioning outreach kits in various schools as part of the school touring program of the

Cape Town Philharmonic Orchestra and for a consortium of five Jewish schools who have a common music program.

**Further information:** SoundHouse in Australia and overseas: Martin Carlson **Phone (03) 9415 6796 Fax (03) 9415 8095**

## Resource Centre

Philanthropy Australia's Resource Centre contains the most comprehensive information on National and International Philanthropy. Orientation sessions for members are held on the first Tuesday of each month

- Tuesday August 4th, (2.30-3.30pm)
- Tuesday September 1st (2.30-3.30pm)
- Tuesday October 6th (2.30-3.30pm)
- Tuesday November 3rd. (2.30-3.30pm)

Places limited to 10 per session. Please ring to reserve a spot. (03) 9650 9255.

## One Million Dollar Gift to Fred Hollows Foundation

The Herald-Sun recently reported that Dick Smith handed a record one million dollar check to the Fred Hollows Foundation. It will be used primarily in the Foundation's work in Nepal and for Australia's Aborigines.

## Corporate Philanthropy - Websites

*A list of corporate websites that detail the activities of corporates in the areas of philanthropy, sponsorship and community involvement.*

**Australia Post** <http://www.auspost.com.au/corporate/sponsorship.htm>

**American Express** <http://www.americanexpress.com/corp/philanthropy/>

**AT&T Foundation** <http://www.att.com/foundation/>

**Bankers Trust** [http://www.bankertrust.com.au/commun\\_home.htm](http://www.bankertrust.com.au/commun_home.htm)

**BHP** <http://www.bhp.com.au/culture.htm>

**BP** <http://www.bp.com/commun/front/front1.htm>

**Coles Myer** [http://www.colesmyer.com.au/cml\\_community/](http://www.colesmyer.com.au/cml_community/)

**IBM** <http://www.ibm.com/IBM/IBMGives>

**National Australia Bank -**

**Community Link** <http://www.national.com.au/link/1628.htm>

**Pratt Industries** <http://www.visy.com.au/homepage/foundatn.html>

**Shell Australia** <http://www.shell.com.au/about/society.htm>

**Sun Microsystems** <http://www.sun.com/corporateoverview/corpaffairs/index.html>

**Tattersalls** <http://www.tattersalls.com.au/commun.htm>

**Telstra** <http://www.telstra.com.au/press/event/events.htm>

# And from Overseas

## Philanthropy in Washington Post\*

The Washington Post now has two reporters, each assigned part-time to cover what's happening in philanthropy. The areas covered are national trends, local profiles, features and stories with a national focus.

\*Foundation News & Commentary, May/June 1998

## Learning How to Give at Philanthropy Schools\*

A growing number of foundations and other organisations have begun offering workshops to teach the wealthy how to give away their money. Issues covered include practical considerations such as how to evaluate organisations who might receive funds. The Rockefeller Foundation four week Course in Practical Philanthropy costs \$10,000 for tuition and \$10,000 for travel and lodging abroad to study possible project areas first hand.

\*New York Times

### Further information:

Further details from The Rockefeller Foundation:  
[www.rockfound.org](http://www.rockfound.org)

Other study programs in philanthropy are offered by the Philanthropic Initiative ([www.tpi.org](http://www.tpi.org)), the Impact Project ([www.qcfurball.com/impact](http://www.qcfurball.com/impact)) both in Boston and the Council on Foundations ([www.cof.org](http://www.cof.org)) based in Washington.

## Revamped Marketing for British Charities\*

Charities in the UK are increasingly turning to marketing techniques normally associated with highly visible commercial companies in an effort to attract young donors and compete in the marketplace. Reuters reports.

Last year there were 155,000 charities registered in England and Wales. According to the Institute for Fiscal Studies, only 6 per cent of Britons aged 18 -22 make regular contributions to charity, down from 17 per cent in 1974. About 17 per cent of those between the ages of 23 and 27 give regularly, compared to 23 per cent in 1974.

Barnardo's kicked off a \$US3.3 million multimedia campaign in November; Marie Curie Cancer Care introduced a new logo; and Oxfam began a cinema campaign using a Chanel model to promote its thrift shops. Created free by an advertising agency, the Oxfam ad was a radical departure from the organisation's traditional images of "third-world suffering".

\*Philanthropy Journal Alert

## Mobil explains corporate philanthropy in New York Times ad\*

Mobil Corporation took out a quarter page ad in the New York Times to explain its policy on philanthropy.

The ad's headline "What drives corporate philanthropy?" set the tone for outlining Mobil's ideals in supporting organisations such as the Red Cross, Save the Children and Habitat for Humanity.

Encouraging other corporations to "become involved in their communities", Mobil said the ad was to address the frequently asked question, "Why fund programs that

affect human welfare?" Mobil's answer: "Because such projects make the global village more habitable and help bring people together". Mobil also bought space in the New York Times several months ago to explain the corporation's stand on its support of the arts and cultural activities.

\*Philanthropy Journal Alert

## Charities benefit from Princess Diana fund\*

Donations received following Princess Diana's death will benefit some of her favourite charities. The Princess of Wales Memorial Fund, which is handling the money, announced it will donate \$21 million of the \$64.6 million received since her death last August.

Six charities that the princess was patron of at the time of her death will each receive \$1.6 million: the Great Ormond Street Children's Hospital, the National AIDS Trust, the English National Ballet, the Centrepoint homeless charity, the Leprosy Mission and the Royal Marsden Cancer Hospital.

Another \$1.6 million each will go to help victims of land mines and the Osteopathic Centre for Children, with \$8 million to be shared among some 100 other charities Diana had endorsed.

\*Philanthropy Journal Alert

# New Board for Philanthropy Australia

At the Annual General Meeting held in April, several new members were elected to the Board of Philanthropy Australia. We appreciate the efforts of all our Board members, especially at such a crucial time for this association.

The current board is Ben Bodna, President, Eve Mahlab, Vice-President, Bill Moyle, Treasurer, Professor David Danks, Graeme Wise, Ulrike Schuermann Brian Scanlen (elected this year), Lady Southey (elected this year) and Dur-e Dara (elected this year). Below are brief biographical notes of our new board members.

## Dur-e Dara, OAM

Dur-e Dara is a Melbourne restaurateur, businesswoman and consultant in the hospitality industry. She was the manager and co-owner of the award-winning Stephanie's Restaurant for 20 years. She is currently a founding partner of Donovans Restaurant, St Kilda, The Nudel Bar in Melbourne's Bourke Street and is a Director of the Tea Corporation.

Dur-e Dara is convenor of the board of the Victorian Womens Trust, a board member of the Victorian Wineries Tourism Council, and Business Matrix Victoria and President of the Restaurant and Catering Association of Victoria. She was awarded the Order of Australia in 1997.

## Brian Scanlen, FCIS, FCPA

Brian Scanlen is Chairman of the Permanent Trustee Company Limited and Chairman of several private investment companies. He is also a director of O'Connell Street Associates. Mr Scanlen was Chairman of the Australian Industrial Research and Development Incentive Advisory Committee and Deputy Chairman of Prudential Finance Holdings Limited. He was a director of Rockwell International from 1984 to 1994, President of the Australian Countertrade Association from 1992 to 1994 and is a past President of the Australian Confectionery Manufacturers Association.

## Lady Southey

Lady Southey is a director of the Myer Family Companies and in 1996 succeeded her brother, Sidney Baillieu Myer, as president of the Myer Foundation. She is vice president of the Australian Stroke Foundation and for over 20 years has regularly driven a Red Cross ambulance for Austin Hospital (formerly Fairfield) polio patients. She is a Trustee of the Australian Landscape Trust and a Life Member of the Nuffield Farming Scholars' Association where she was instrumental in the establishment of farming scholarships for women. Lady Southey is a sponsor of The Handbook of Australian, New Zealand and Antarctic Birds being produced in six volumes by Birds Australia (formerly Royal Australasian Ornithologists Union). She has long been a supporter of the Australian Ballet and was its chairman from 1980 to 1990.

Lady Southey is a devoted mother, grandmother and housewife, is involved as the active chairman of her family companies and is engaged in farming both in Victoria and New South Wales amongst many other pursuits.



Dur-e Dara, OAM



Brian Scanlen, FCIS, FCPA



Lady Southey

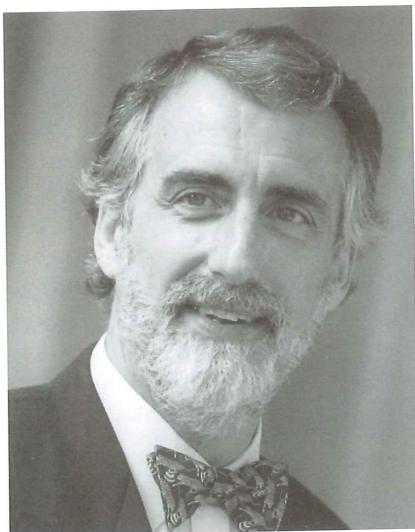
# Asia Pacific Philanthropy Review

Technology, research and training are high on the achievements of the Asia Pacific Philanthropy Consortium.

## What is APPC

The Asia Pacific Philanthropy Consortium was launched in December 1994. The Consortium focuses primarily on strengthening existing and emerging grantmaking entities within each country. It also encourages continued interest and philanthropic giving in Asia by North American and Australian official, private and corporate donors.

In early June, Carrillo Gantner, Vice President of the Myer Foundation, attended a meeting of the Executive Committee of the Asia Pacific Philanthropy Consortium (APPC) in Taipei. The meeting, hosted by the



Carrillo Gantner,  
Vice President of the Myer Foundation

Taipei office of the Asia Foundation and the Himalaya Foundation of Taiwan, reviewed the APPC's work over the last three years.

### This included:

- Research on the legal and regulatory framework for philanthropy and non government organisations (NGOs) in ten countries of the region (including Australia) to be published this coming November.
- Seed funding for electronically linked information centres in six countries of the region, whose Directors met concurrently with the APPC meeting. This work has been coordinated by the East West Centre of Yonsei University in Seoul. For the next phase of APPC's development, the role of lead agency will pass to the Centre for Australian Community and Organisation Management, University of Technology, Sydney, under Professor Mark Lyons.
- Development of training opportunities through courses and seminars coordinated through Philippine Business for Social Progress (PBSWP).
- Promotion of wider awareness and international networks for the philanthropic sector in the region through two major conferences, the most recent held in Bangkok in January this year on funding for the non-profit sector.

The Executive Committee outlined its work program for the second three-year phase including:

- Evaluation of the first phase;
- Revision of the legal framework in several countries;
- Continuing support for the information centres including the development of a standard format directory of major regional Foundations and a bibliography on philanthropy in the region;
- Continuing support for training, especially in the area of resource mobilisation;
- The formation of a Corporate Advisory Council to develop ways to assist corporates to contribute to civil society;
- The development of in-country advisory groups to give feedback to national representatives on the Executive Committee;

- The appointment of a full time Executive Director for the Consortium;
- The idea of a regional conference to bring together researchers on the NGO sector was also strongly supported as a way to raise the status of civil society;

Mrs Aurora Tolentino, Executive Director of PBSWP, was elected for the next year as co-chairman of APPC with Mr Barnett Baron, Executive Vice President of the Asia Foundation.

One afternoon of the two day gathering was devoted to a Round Table meeting on Foundations and the NGO sector with representatives of about 20 Taiwan foundations. Each member of the Executive Committee made a brief presentation about current sectoral issues in their country before opening the session to wider questions.

The work of the Himalaya Foundation was of particular interest as its activities are focussed on the collection and analysis of information on the local foundation sector and sponsorship of domestic and international events in the non profit sector. The foundation recently published the third edition of its Taiwan Foundation Directory as well as a Chinese language series on NGO management.

Following the APPC meeting, Carrillo Gantner also had meetings with The National Institute of Arts, The National Foundation for Arts and Culture, The Pacific Cultural Foundation, the Taipei Dance Circle, the Chiang Kai Shek National Theatre and Concert Hall and the Foundation for Scholarly Exchange.

### For Further information please contact:

The Secretariat, c/o The Asia Foundation  
P.O. Box 7072, Domestic Airport Post Office,  
1300 Domestic Road, Pasay City, Philippines  
Telefax: (632) 833-9628

# Philanthropic Giving and Tax Reform

\*Robert Gottliebsen was the guest speaker at the Annual General Meeting of Philanthropy Australia on Tuesday 21 April 1998. This is an edited version of his address.

Increasingly business now look at their giving on the basis of, "How does it fit into business?", "How does it work?". The very best example of how a group in the community can lose market share in terms of receiving gifts, promotions and support to another group is the arts. They didn't understand the changes in their market and lost to sports. The Arts have deservedly lost their market share, not because opera is not good, not because ballet is not good, not because theatre is not good - this has nothing to do with it. Rather the local theatre and the Arts Centres didn't keep up with the technology and the change and the sporting people did. Now, I'm Rupert Murdoch, I'm Southcorp, I'm Fosters - and a lot of my giving is related to my market. I'm interested in the best way to entertain customers and enhance my market. The sporting people say, "You want to do that? Here is a box at the MCG and you can take the box for the whole year or you can rent it for part. Bring your people in.

If the game's good you all sit down and watch it. If it's not so good you can talk at the back - and you talk at the back anyway. So, it's a proper marketing operation. I go to the Arts Centre and, you've got to be joking! I've got 10 guests, 15 guests - the numbers are not important. I sit in Row F43, we get in and sit down. Let's assume it's a great show, but we have to make our way out to the Amcor Lounge. I lose half my people on the way. The people who rented theatre in the old days understood the communities they operated in, and they had boxes. There is going to be no revival in business support for the arts in Australia until people go back to what the customer wants.

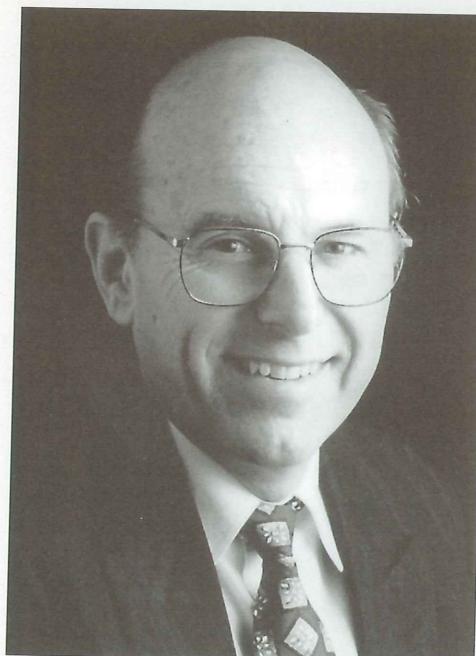
If you're in the business of attracting company donations, then understand what your customer wants. "The customer" - that is the big corporate - wants recognition and may well want to be linked in some way, shape or

form so their customers get some advantage from it. Yes, there will be straight giving in certain areas but you need to look at what happens in our corporates today.

Once upon a time, when you were a Managing Director of a Corporation, that was a job you held until you retired. Now, if you're lucky you are there 5 years. Mostly you are sacked after three. There is a huge revolution taking place in corporations and institutions. Once upon a time institutions had permanent money - the AMP, the National Mutual, Colonial Mutual and so on - they kept that money, it didn't disappear. Now the people behind the superannuation funds - that's YOU - say if institutions don't perform we'll take our funds away. So the institutions say to the companies, "If you don't perform we'll sack your Board or sack your Managers". Because we're going to get sacked if you don't perform. So, it's a different world, it's global, it's profit orientated, performance orientated and giving in the corporate world is looked at on a global basis.

Let's go forward say 5 years, and today's trends will be so much clearer. Once upon a time, we made money on farms, we still do, .... but the real money is going to be made by the seed-makers, who genetically engineer the seeds. Once upon a time, we made money in mines. We still do, but the technology of finding the ore and processing it, is now so different and there isn't quite the same sort of money in mining as there was in the past. And Coles Myer are certainly going to make money out of retailing but the big money will be made by the use of technology.

Then comes the biggest change of all. Governments are now in competition with each other for the generation of wealth. How are governments in competition with each other? Well, the



Robert Gottliebsen

most obvious way is the tax system. Why would I put a plant in Australia and generate wealth here, or bring some software technology here, or develop the seeds here? Why would I do that, when this country virtually has a 50% flat tax rate on my income? Joh [Bjelke Petersen] said, we should have flat taxes. We got flat taxes but at 50%. There are a lot of good things about Australia. We can compete really well. But not with a 50% tax. We will not generate wealth here, especially as we have capital gains tax. Why would I put a high tech plant here, when I can go to the US and be taxed on a much better basis? It doesn't make sense. Yet, those plants generate wealth. Go back to every donation you get, every foundation that has been set up, it was set up because somebody generated wealth.

The Murdoch family generated wealth. The Myer family generated wealth. Roy Ross generated wealth. Often there was wealth generated and then the next generation decided that they would give money to a foundation. The sort of wealth that you need out there for future giving can't be generated with the current tax system.

As well, we have a crazy stunt whereby if you die, your descendants have to pay capital gains tax. That's nonsense, and needs to be changed. And with a bit of pressure, it will. But you really do need to work very hard in the community to get the tax systems so people can generate wealth, because if they generate wealth, they become prosperous and will give it away.

It is not an ideal world that we are heading for. A dramatic event has taken place. Behind those changes I am talking about, is a change in political power, the like of which has not been seen for a long time. How was political power exercised over the last umpteen thousand years? How did the Romans exercise political power? They did it by property, they did it by land.

They took land, they developed land, and control was via property. Pretty much every empire that has been attempted has used the same technique. We now have an empire that is more powerful than the Romans and certainly more powerful than the British. But, it is not based on land. The American empire is based on technology and they control the world's technology. They control the world's capital because in part they control the technology.

**If you generate the wealth in the community, you then have a chance to promote giving. But if you stop the wealth creation, as we are now in the process of doing, in 20 to 30 years time, we will suffer.**

So if a country the size of Australia wants to have its own tax system, fine. But if it has a tax system not compatible with the United States, which is the country that is generating the wealth and has the capital, then Australia is going to suffer. Unfortunately, because we don't control the capital markets and the technology we do suffer and we will suffer quite a lot, unless we fix our tax system. I don't know if John Howard is going to fix it properly or not. But it doesn't matter who is in power. I was talking to Gareth Evans on the plane recently. I said, "Gareth, you've got to have a global tax system." He nodded. There are many ways to do it but you've got to be competitive globally in tax. It doesn't matter which party is in power. For Christians it is very sad because the top people in the churches don't understand what has happened. They keep wanting

governments to give more and more and not understanding that what they are demanding will hit hardest the people they are trying to protect. Money can only be allocated to those not well off if a country generates wealth. That money may come via the government system or it may come via philanthropic bodies like yours, or in all sorts of ways. The sad part about that is that we are moving to a society where there is more at the top, more at the bottom, and less in the middle. I don't regard that as a good thing but it is a fact of life. And the way to mitigate it, is to make sure you generate the wealth on the community.

If you generate the wealth in the community, you then have a chance to promote giving. But if you stop the wealth creation, as we are now in the process of doing, in 20 to 30 years time, we will suffer.

Not in five or ten years, because the physical wealth is there and you will see it there, but in the future, because of the technology change and because of the US dominance of technology and capital, we will suffer. Yet we have just the most marvellous opportunity. If we do rationalise our tax system; if we do understand wealth creation and do compete with the rest of the world, then we have advantages that most of the parts of the world don't have. And we will get our share of the action. A good share. This is the choice for the community.

\*Robert Gottlieben is the Chairman and Editorial Director of the Business Review Weekly Media

# International Report

## Philanthropy, Public Policy

In the USA, philanthropy is coming out of the closet and moving to raise its profile. This is the major impression I gained when attending the Council on Foundations' 49th Annual Conference in Washington DC in April.

By Eve Mahlab\*

The conference entitled "Philanthropy's Many Voices" in "Public Policy" was attended by 2200 people. Its theme reflected a realisation by foundations that there is an urgent need to be understood better by the legislators, by the press and by the public. Rita Hauser, a keynote speaker and trustee of the New York based Hauser Foundation (which has recently endowed a chair in Non Profit Studies at Harvard) opened her address by saying that whether motivated by discretion, reserve, modesty or complacency, the sector is seen as secretive and unaccountable. Publicity about the non profit sector highlighting imprudent investment, inadequate distribution, high executive compensation and "perks" as well as the diversion of funds were leading to attempts in the legislature to restrict the activities of the sector. Elsewhere during the conference, evidence was presented demonstrating ignorance about the important role that philanthropy plays. For instance, a recent survey of Members of Congress revealed that whilst 74% maintained that they understood what a foundation was, less than 15% could differentiate between a grant giving organisation and a grant seeking organisation.

One speaker summarised the general feeling. He said "If we do not define ourselves, we will be defined by others who may not have our interests at heart".

I also visited the Canadian Centre for Philanthropy, where a similar concern for the reputation of the sector led to a symposium on "the Accountable Charity" which focused on issues of improved governance, disclosure, transparency and better assessment of outcomes.

The program of the USA conference also reflected a new commitment to shaping public policy. The majority of

foundations, if they engage in the public policy realm at all, tend to operate not with a long term policy perspective but with a problem oriented and field specific approach. This attitude, according to one speaker, is resulting in a band aid remedial approach to societal problems in contrast to a preventive one.

**"If we do not define ourselves, we will be defined by others who may not have our interests at heart"**

The movement towards influencing public policy in the USA is emulating in part the strategic philanthropy of the ultra conservative foundations who have been extraordinarily successful in moving the mainstream political agenda towards economic rationalism and the "hegemony of market theology". The shift is resulting in the withdrawal of government from its traditional role as societal protector. These conservative foundations have concentrated their operational support towards funding think tanks,



Eve Mahlab, AO

# Perception and Communication

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fellowships and academic posts for conservative scholars. They have also adopted modern communication techniques for marketing their ideas and research. The outcome presents a challenge for those foundations who see themselves as assisting the disadvantaged.

The objective of shaping public policy raises issues about the ability of philanthropy to fund advocacy. In the USA, foundations risk losing their tax exempt status if they engage in lobbying and even non profit organisations are allowed to allocate only 20% of their expenditure on direct lobbying. Grantmaking bodies are therefore developing strategies for funding activities which are not considered to be lobbying but are nevertheless effective. These include public awareness and education campaigns, support for advocacy organisations, initiating and disseminating non partisan policy research, analysis and evaluation as well as funding litigation, innovative pilot programs, leadership development initiatives, stakeholder meetings and direct planned partnerships with government. Even direct communications with legislators or their staff is not considered lobbying where there is no reference to specific legislation.

The concept of shaping public policy has led to a new appreciation of and demand for communication skills not only for the Foundations but for the non profits which they fund. The Kellogg Foundation no longer waits for outcomes from the initiatives it funds before it publicises its support. It now builds a communication plan around every decision to fund. In its grants, it allocates funds to build the capacity of grantees to get their story out. Capacity includes skills in building contact with media and public policy makers, reaching audiences through

radio and television and publishing articles in magazines. Engaging the media is a growing pre-occupation.

Finally the philanthropic sector in the USA, through its organisation the Council on Foundations, is increasingly committed to making visible and raising the public appreciation of the value it creates. This value includes not only philanthropy's traditional role in alleviating poverty and distress or elevating public life, but its role as a venture capitalist investing funds in research and development of ideas and initiatives, which are too politically risky for governments or not sufficiently high profile enough for business.

There is still much work to be done in creating understanding of the role that philanthropy plays and appreciation of the value it creates. One speaker summarised its role by saying "Governments create order, business creates wealth and both are recess life. but the non-profit sector creates life that is worth living".

*\* Eve Mahlab is a Melbourne lawyer, businesswoman and company director, and Vice-President of Philanthropy Australia.*

The Council on Foundations' 50th Annual Conference will be held in New Orleans, 19-21 April 1999. Preliminary theme of the conference is "Communicating the Value of Philanthropy"

# Business to the Rescue

**The Prime Minister, John Howard, wants corporations to do more in an area where governments are doing less: the provision of social welfare.**

by Louise Dodson\*

**T**aking care of business in Australia used to mean one thing - keeping shareholders happy with a healthy bottom line.

Nowadays, it is much more complicated. Business is being asked to share some of the responsibility and more of the burden of maintaining a civil society. To be a good corporate citizen.

And it's not just customers or even shareholders who are asking companies to do more. It is governments. And in particular the Howard Government. It has launched a plan that it hopes will become a "new compact" between business and Government, one that works for the good of the community.

"With the marketing genius of big business, and the compassion and hands-on know-how of the community sector, we can breathe more life into our society," is how the Family Services Minister, Warwick Smith, put it recently.

In these times of tight budgets and small government, the Federal Government is asking business to shoulder more of the strain. And it doesn't just want money. It wants business experience, expertise and the time of corporate executives. It wants the use of business premises; it wants to draw on the expertise of its corporate marketing, promotions and training departments.

**"The tendency in Australia was for people to say 'that's the Government's problem, I pay my taxes' - it's what I call the welfare state mentality. That has to change, it's everyone's responsibility,"**

In March, the Prime Minister, John Howard, held the first meeting of the Government's business and community "round table" in the Cabinet room. Before a range of business leaders - including Westpac's chief executive, Bob Joss, leading corporate adviser and director David Gonski, Westfield's senior executive, David Lowy, and Bankers Trust Australia's Rob Ferguson - Mr Howard outlined his vision for a new Australia, one which has business playing a greater role in the provision of social welfare.

Howard told the gathering that in the 1990s, people were looking for "a new balance between government, business and the community".

"The 1970s was the era of big spending by government on social programs, and a lot of it was wasted, money down the drain," the Prime Minister said. By contrast, the 1980s were characterised by the non-caring "me-generation".

"In the 1990s the way I think that we get the best outcomes in building a better society is by shared endeavour."

This "new balance" between government, business and community groups comes after initial business disappointment with the apparently slow pace of economic reform.

This turned into support when the Government embarked on its ambitious agenda including the Wallis financial reforms, Budget cuts to Government programs, tax reform, and industrial relations reform.

Not only was business applauding, but it was keen to be in the loop - especially on tax reform.

Now the Government wants business to help shoulder the burden of helping society. But why should business be interested?



Prime Minister, John Howard, Elizabeth Cham and Fergus Ryan

According to some business executives, it is a matter of the ultimate survival of corporate Australia. "Unless people have an appreciation for the corporate sector, the ability of those corporations to exist in the future is impaired," says Mr Ron Burke, the general manager, group corporate relations, at the National Australia Bank.

He detects a definite mood change among consumers in Australia in the 1990s.

"People's expectations now are that companies will add value to communities that go beyond the traditional economic role of operating efficiently, offering employment and selling goods or services."

A special research project commissioned from the Centre for Independent Studies by the NAB shows that consumers and even shareholders want more from corporations than just hefty profits.

The latest half-yearly profit result announced recently by the NAB was a very healthy \$958 million, albeit down slightly from the same period last year.

For this reason the NAB launched its CommunityLink project which has an outreach program designed to lend the skills of young corporate managers and executives to community groups such as the Salvation Army.

It may be an exercise in sophisticated image reshaping after the 1980s "greed is good" decade, but Burke says consumers and shareholders want real community value-adding, rather than the banks softening their image by "tokenistic" public relations gestures. "They don't like the kissing babies PR idea," Mr Burke said.

Corporate Australia also sees benefits in moving away from a "welfare state mentality" with high taxes, high government spending and little individual or private-sector responsibility.

"The tendency in Australia was for people to say 'that's the Government's problem, I pay my taxes' - it's what I call the welfare state mentality. That has to change, it's everyone's responsibility," says Mr Rob Ferguson.

Bankers Trust Australia has followed the example of its United States counterpart and developed a "matching gifts" program whereby the company matches funds raised by staff either through personal payroll deductions or special events such as casual dress days.

It is good for corporate staff development. Says Mr Ferguson: "It's about developing a broader-minded workforce, one that is more responsive to its community."

**"With the marketing genius of big business, and the compassion and hands-on know-how of the community sector, we can breathe more life into our society,"**

The new partnership also offers an opportunity to get closer to the Government and have an influence over its agenda at a time when "reform" is the buzzword of the moment.

"It's a unique opportunity," a number of business executives said.

Indeed, the Prime Minister told those gathered at the first meeting of the business roundtable that he had been "encouraged" to see the co-operation of the Business Council of Australia and the Australian Council of Social Service on the need for tax reform to "promote a better functioning society".

He felt there was a new recognition within the community that "without a strong corporate sector and a sensible

tax system, things would never work properly".

Mr Howard said the role of Government should be to provide a safety net, define the rules, to act as a catalyst and to work with the business sector - both in an economic sense and for the good of the community. He said there was a need to involve government, communities and business in a tripartite relationship which shared each group's expertise, according to the minutes of the meeting.

Mr Howard talked about the tradition of corporate philanthropy in the United States, bemoaning the fact that in Australia "we do not give enough recognition to those in the corporate sector who contribute philanthropically".

According to those at the meeting, the corporate philanthropy initiative could fund scholarships for tertiary education, environmental projects, and programs to care for the sick and dying.

The meeting decided to set up five new working groups comprising business and community representatives to explore the new partnership. A taxation working group was set up to push for more favourable tax treatment for corporate and individual philanthropy. It comprises Wentworth Associates' principal, David Gonski, Arthur Andersen's tax specialist Fergus Ryan, and Philanthropy Australia's Elizabeth Cham.

The group is to press the Government to ease capital gains tax on donations to philanthropic trusts and will also push to widen the tax deduction rules for charitable trusts.

The meeting discussed taxation system disincentives to individual philanthropy, an historical perspective of the development of foundations through tax incentives in Victoria, the need for Mr Howard and the Treasurer, Mr Costello, to be directly involved in consideration of tax incentives and

# Business to the Rescue (continued)

disincentives to philanthropic giving, and possible changes to the tax system to recognise both cash and "in kind" donations such as skilled time by companies and individuals.

Elizabeth Cham believes the new partnership could be liberating for business as well as essential for community groups.

Community groups need it, she argues, because "no political party seems willing to go back to the funding levels of the 1970s".

"Government is withdrawing and companies have said in the past 'our

job is to look after the shareholder'. But the thoughtful businessmen and women are now seeing there is a new way of doing business.

"It is good for business's image. We're moving into a very different world, business has to re-invent itself to be relevant."

Ms Cham said the high-level interest by the Prime Minister would give corporate philanthropy unprecedented "political prominence".

The meeting also discussed setting up a "centre for philanthropy" attached to a university as well as the development of an internet website.

The need for improved data and research on motives for and inducements to giving, as well as information on who gives what, at present, was discussed.

The round table meeting agreed to establish a research working group to advise the Government on these issues.

Another working group on education and public relations was set up to look at ways in which to sell this new role for business - in particular to shareholders.

This working group will also look at the role of special new awards - to be

handed out by the Prime Minister in November this year - in publicising the new partnership between business and the community.

A further working group was set up to "facilitate best practice partnerships" by advising the Government on strategies and pilot projects to look at issues such as tapping into company expertise by community groups.

The working group will also look at giving preference to companies bidding for Government contracts, by establishing a "community investment ratings system".

Another working group was set up to consider awards and other means of recognition such as financial rewards to the best small and large business contributors as well as individual philanthropists. The awards and servicing of the business round table was funded in the 1998-99 Budget with \$20 million over four years.

## At John Howard's Corporate Roundtable

- Bob Joss, chief executive officer, Westpac
- David Lowy, managing director corporate and international, Westfield Holdings
- David Gonski, principal, Wentworth Associates
- John Fairfax, chairman, Marinya Media
- Rob Ferguson, managing director, BT Australia
- Ann McCallum, Lend Lease
- Fergus Ryan, Arthur Andersen
- Sidney Baillieu Myer, Myer Foundation
- Ron Burke, National Australia Bank
- Elizabeth Cham, Philanthropy Australia
- Phillip Hart, Association of Major Charitable Organisations
- Ian Spicer, National Disability Advisory Council

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Participants at the PM's Round Table

# Taxation and Philanthropy

One of the reasons that corporate and individual philanthropy in Australia has not burgeoned in recent years, as it has in countries such as the United States, is that our Income Tax Assessment Act includes a number of provisions which constitute a disincentive to such philanthropy.

David Gonski\*

## These provisions include:

1. Under current taxation provisions, a gift made to charity of property that the donor has held for more than 12 months will not allow the donor a tax deduction unless the charity falls within limited categories (such as a public art gallery). This provision applies even though a deduction would have been available had the property been cash or acquired less than 12 months prior to the gift.
2. Also under current taxation provisions, where a gift is made to a charitable organisation under a Will, the gift will not only be the subject of a tax deduction but may be liable for capital gains tax. This provision stands in stark contrast to the fact that if the individual had made the donation immediately prior to his or her death, a tax deduction would have been available had the donation been of cash or of property which the donor had held for less than 12 months.
2. Presently, a donor who is entitled to a tax deduction for a gift is not entitled to carry forward that deduction against future income tax liabilities. This means that the donor, in order to enjoy the tax deduction, must make sure that he or she has sufficient taxable income against which to put the deduction in the year the gift is made. This could well have the result of restricting the amount of gifts given and certainly has the result that donations to charitable organisations tend to occur near the end of a financial year.

A number of other provisions also exist within the income tax legislation which discourage philanthropy (eg the difficulty of establishing private charitable foundations).

The present Federal Government (and the Prime Minister in particular) has shown interest in encouraging business and community partnerships and philanthropy generally.

This is evidenced in the Prime Minister's commendable decision to establish a round table to examine such issues.

It is to be hoped that the Government will continue this interest by making amendment to the Income Tax Assessment Act and, at the very least, removing the above-mentioned disincentives to philanthropy.

\*David Gonski, Principal, Wentworth Associates Pty Ltd. CHAIR, taxation sub committee, Prime Minister's Round Table on Philanthropy



David Gonski

# Australia's Nonprofit Sector

Mark Lyons  
and Susan Hocking

Mark Lyons released some preliminary results from the Australian Nonprofit Data Project at the recent ANZTSR Conference in Melbourne. Philanthropy Australia believes this data is of such importance that with Mark's permission we reproduce the text of the document.

## Highlights

- In 1995/96 nonprofit organisations in Australia spent between \$27 billion and \$43 billion in operating expenditure depending on the definition used.
- That was between 6.2% and 9.8% of gross domestic product.
- Even by the core definition, the nonprofit sector has a larger turnover than the communication industry, or the accommodation industry, cafes and restaurants. By the extended definition, it is larger than the mining industry.
- Even by the core definition, the nonprofit sector is as large as the NSW and Victorian governments combined; it is almost four times the size of local government in Australia.
- Australia's nonprofit sector employed between 564,000 and 668,000 people. This was between 11.0% and 13.0% of private sector employees and 6.8% and 8.1% of the workforce.
- The largest number of employees is to be found in the community services industry, followed by leisure, education and health.
- Australians volunteered 374 million hours for nonprofit organisations in 1994/95.
- Australians gave \$2.8 billion to nonprofit organisations in 1997.
- Almost 40% of giving to nonprofit organisations went to churches and similar religious organisations.

\* Australians lost at gambling almost four times the sum that they donated to charities, churches, schools and other nonprofit organisations.

## A Nonprofit Sector

Australians tend to divide their world of organisations into government and business. They overlook a very important third sector, commonly called the nonprofit sector. Nonprofit organisations are the manifestations of commitments by groups of people to provide a service for themselves or others, to represent their interests, or to practise religion. They are not part of government, even though many perform a public service; neither are they run to make a profit for their owners. They are many and varied but together constitute a distinct sector, neither government nor business; a sector with its own distinctive rules and characteristics.

The importance of nonprofit organisations is coming to be recognised worldwide. A strong and

varied nonprofit sector is an essential component of a lively democracy. Nonprofit organisations constitute the core of civil society and act as an important counterpart to both business and to government. A strong nonprofit sector underpins long-term economic prosperity.

To varying degrees, nonprofit organisations are sustained by millions of ordinary people, through gifts of time and of money, or volunteering and giving. They are also generously supported by governments and by business, though in both cases, there is often an element of reciprocity to this support: governments fund nonprofit organisations to provide services that might otherwise be provided by government directly; business looks to obtain favourable publicity and sales through an association with well known nonprofits.

## Dimensions

What follows are preliminary results from the first attempt to estimate the dimensions of Australia's nonprofit sector.

It presents two sets of data that indicate the economic impact of the sector: its operating expenditure and the number of jobs it provides. Data is for 1995/96.

It provides two sets of estimates for the nonprofit sector. The first is based on a core definition. This definition insists that organisations are undeniably private and that they do not distribute profit to individual members in any form. The second creates an extended definition by adding to the case, data from organisations such as the so-called public universities that are arguably nonprofit but some believe are part of government, and from trading cooperatives and mutual finance and insurance organisations that some argue behave as for-profits. The extended definition is the equivalent of what the Europeans call the social economy. The two sets of data are provided to allow our readers to construct their own estimates on the nonprofit sector.

An important limitation to the data should be noted. The organisational data reported here is drawn from those approximately 30,000 nonprofit organisations that employ people. In addition to these, there are many hundreds of thousands of nonprofit organisations that rely entirely on the voluntary labour of their members. It is not possible to obtain reliable estimates from these hundreds of thousands of small organisations. The nonprofit sector is somewhat like an iceberg: only a small part of it is above water, the rest is below. This publication is about that part which is above water and measurable; it must be recognised though that this is

balanced by a much larger number of nonprofits that are not so clearly seen, nor so readily measured.

The data on giving and volunteering is drawn from household surveys. It reports gifts of time and money to nonprofit organisations. The volunteering data is thus lower than that reported in the ABS 1995 Voluntary Work survey which included volunteering for for-profits and governments as well as nonprofits.

The data presented here was collected as part of a collaborative project between the Centre for Australian Community Organisations and Management (CACOM) at the University of Technology, Sydney and the Australian Bureau of Statistics. The project was funded by the ABS, by the Australian Research Council and by the Productivity Commission. Through the project, Australia has become part of the Comparative Nonprofit Project coordinated by Dr Lester Salamon and Dr Helmut Anheier of the Johns Hopkins University in the United States.

The data reported here has been gathered from a number of sources: from ABS surveys; from government administrative collections; from data held by certain peak organisations in the nonprofit sector and by surveys conducted by the ANDP. In all important fields of activity, the data was collected directly by survey; in some cases it has been estimated from other, less than comprehensive, sources.

### **These are preliminary results only.**

A more detailed study, with an account of data sources will be published towards the end of 1998. Some of the estimates here may vary from those presented in that more detailed study as data is further refined.

The Australian Bureau of Statistics will release a publication containing much of the data on which this study relies, later in 1998.

The Johns Hopkins Comparative Nonprofit Project will release details of the nonprofit sector in over twenty countries at a meeting of the European Foundation Centre in Turin in November, 1998. Australian data will be included in that report.

In 1999, a publication analysing Australia's nonprofit sector in the international context, drawing upon data from other countries in the Johns Hopkins project, will be published.

Other studies flowing from this project, including a bibliography of research on aspects of the nonprofit sector, a history of Australia's nonprofit sector and a comparative study of the impact of nonprofit sectors in a number of countries will be released in 1999. Fuller analyses of surveys on volunteering, and on giving and participation in Australia will also be published late in 1998 and 1999.

# Australia's Nonprofit Sector (continued)

Field of Activity /Core Definition	Operating Expenditure (\$ million)	Number of Employees
Health (including nursing homes)	4,200	105,000
Education and Research (excluding public universities)	6,600	114,000
Community Services	3,700	132,000
Other Human Services (housing, legal services, employment services)	700	25,000
Religion	1,000	17,000
Leisure (includes sport, recreation, social clubs, arts and culture)	7,300	116,000
Interest Organisations (includes business, trade and professional associations, trade unions, political parties, lobby and advocacy organisations)	3,000	47,000
Other (includes accommodation such as university colleges, school parent organisations, emergency service organisations, charitable trusts etc)	500	8,000
<b>Total</b>	<b>27,000</b>	<b>564,000</b>
<hr/>		
<b>Extended Definition</b>		
Public Universities	7,500	82,000
Nonprofit Financial Institutions (credit unions, building societies, friendly societies, mutual insurance companies)	3,100	11,000
Other (includes Trading Cooperatives)	5,400	11,000
<b>Total</b>	<b>43,000</b>	<b>668,000</b>

NOTE: The data presented in this table is preliminary data only.

Table 1: Australia's Nonprofit Organisations By Field of Activity, 1995/96

# Some Preliminary Data

Field Of Activity	Hours Volunteered for Nonprofit Organisations in 1994/95(1)		Donations to Nonprofit Organisations in 1997(2)	
	Hours (millions)	% (millions)	Dollars	%
Arts/Culture	13.6	3.6	17	0.6
Education and Research	35.8	9.6	457	16.4
Health	19.3	5.2	121	4.4
Community/Welfare	102.6	27.5	478	17.2
International/Overseas Aid & Development	2.1	0.6	312	11.2
Religion	70.5	18.9	1025	36.8
Environment/Animal Welfare	10.9	2.9	65	2.3
Interest Groups	8.8	2.4	18	0.7
Sport and Recreation	98.6	26.4	246	8.9
Other (including emergency services)	11.4	3.1	41	1.5
<b>Total</b>	<b>373.6</b>	<b>100.0</b>	<b>2,780</b>	<b>100.0</b>

Table 2: Volunteering and Giving to Nonprofit Organisations

- Proportion of the population 15 and older who volunteered in 1994/95 = 19% (1)
- Total number of hours that they volunteered to all classes of organisation = 433.9 million (1)
- Proportion of the population 15 and older who gave in 1997 = 71% (2)
- Total dollars donated to all classes of organisation = 3,016 (2)

(1) ABS, Voluntary Work Australia, June 1995, Cat no. 4441.0, mainly unpublished data

(2) Survey on Giving conducted for ANDP by ABS Population Survey Monitor

Those wishing to learn more of the Australian Nonprofit Data Project and of the Johns Hopkins Comparative Nonprofit Project to which it is joined and who wish to be notified of subsequent publications should contact:

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# Preserving Rippon Lea

## *The Andrews Foundation*

In the conservation business, there are plenty of nightmares raising funds for the preservation of historic houses and gardens. But at Rippon Lea, the National Trust estate in Melbourne, the nightmare of restoring the 130 year old mansion and grounds to their full glory is a dream come true thanks to a philanthropic foundation.

Trustees of the Andrews Foundation visited Rippon Lea on a wet and windy day in March 1996. The unpromising weather conditions added to their interest in the property as the sophisticated 19th century irrigation and drainage system was examined in action on a walk through six hectares of garden.

Restoration projects, planned for over a decade, were explained as the Foundation revealed it was seeking a major project. Among the projects discussed was the plan to drain the man-made lake to clear it of sediment and reconstructing the collapsing Grotto (one of only three in Australia) as well as architectural building works on the mansion's roof, masonry and joinery.

Trust representatives explained just how much was involved in ensuring Rippon Lea would be preserved forever. The Andrews Foundation wanted to know how Rippon Lea would cater for public education and enjoyment after restoration. It was agreed that the first step in the process would be the creation of a master plan to include all aspects of restoration, planning, marketing, visitor services and managing the property in the 21st century.

The rest, as they say, is history. During a special function held at Rippon Lea, Mr Noel Martin, Trustee of The Andrews Foundation, announced the establishment of a \$5 million endowment for the future preservation of Rippon Lea, to commence in 1998. This follows the \$505,000 grant the Andrews Foundation made to Rippon Lea in June, 1996, for the Trust to fund the completion of a master plan for the restoration project. Meanwhile the National Trust has to raise money to complete the works identified in the master plan.

Advising of the endowment, the Andrews Foundation observed that

**'the chance was given to try to do something of significance for the nation that would leave a legacy and a lasting benefit for our children, grandchildren and great grandchildren. The future can only be secure as we appreciate and understand our past'.**

'As Trustees we believe Rippon Lea is of major national heritage significance and therefore its restoration is a project we are pleased to support as partners with the National Trust.'

### **Presenting Rippon Lea As A Family Home**

The Andrews Foundation is supporting the National Trust through their grant of \$505,000 for stage one and the establishment of an Endowment Fund for future works.

From 15 April 1997 visitors to Rippon Lea will be able to experience the first



Rippon Lea

**Philanthropy**

# Member Profile



Inside of Rippon Lea

stage of exciting changes. The interiors of the mansion will be presented as the stylish family home of Mr and Mrs Timothy Jones and their four children just before World War II. The drawing room, best bedroom and lounge room with its panoramic views of lush green lawns are undergoing a transformation. Careful research has revealed details of their furnishings and furniture. Photographs taken in the late 1930s of these fashionable interiors have been supplied by the Jones family who are assisting the Trust. The aim is to create the authentic atmosphere of the family home of Louisa and Timothy Jones.

Another dramatic finish will be the specially woven sage green carpet to be laid throughout the hallways and stairs

of the mansion. A fragment was found in 1996 which has enabled Brintons Carpets to faithfully reproduce the rich wool carpet which was a vital element in the dramatic scheme to enliven the Victorian decoration, in place since 1897.

Creating a comfortable modern family home as well as a glamorous and fashionable entertainment complex of rooms was the Jones' aim. The Hollywood style inground swimming pool, ballroom and dining room were all part of these last great changes to the architecture of the garden estate. The grounds remained largely unchanged as far as the original Sargood landscape features were concerned. Research is now being undertaken to source specialist plant collections which have disappeared, such as the thirty odd varieties of clematis which were Timothy Jones' favourite plants and, of course, Rippon Lea's famous orchid collection.

Stage One of the conservation program also includes compiling a Master Plan to prioritise other major works necessary to restore Rippon Lea to its full glory and preserve it for future generations. The Plan is being prepared by architects Bates Smart in conjunction with conservation architects Nigel Lewis and Richard Aitken. The Master Plan will guide the Trust in the timing and resources required to continue the full restoration of Rippon Lea.



The view to the dining room as you enter the mansion features the reinstated mirror tiles, the sage green carpet specially woven by Brintons to match a fragment found in the hall and the refurbished light fittings.

The National Trust is grateful to the Andrews Foundation, a private philanthropic trust, for this generous and far-sighted endowment which will ensure the total restoration of Rippon Lea to preserve it for the future. The Trust looks forward to a successful partnership.



# Home & Abroad ...

## HOME

### Conferences...

**Association of Children's Welfare Agencies National Conference**  
"Improving Services for Children, Youth and Families"

**When:** 24-26 August, 1998  
**Where:** Airport Hilton, Sydney  
**Enquiries:** Ms Sharyn Low, '98 ACWA Conference Organiser,  
P.O. Box 23, Pitt Town, NSW 2756  
**Ph:** 02-4572-3079  
**Fax:** 02-4572-3972  
**Email:** sharyn.low@acwa.asn.au

### Celebrating Public Health: Decades of Development

**When:** 13-16 September, 1998  
**Where:** Hobart  
**Enquiries:** Public Health Association  
**Ph:** 02-6285-2373  
**Fax:** 02-6282-5438  
**Email:** canberra@rcna.org.au

### Developing Health: National Centre for Epidemiology and Population Health Conference

**When:** 11-12 November, 1998  
**Where:** Canberra  
**Enquiries:** Valda Gallagher  
**Ph:** 02-6249-5627  
**Fax:** 02-6249-0740  
**Email:** vtg868@nceph.anu.edu.au

### Promoting the Health of Aboriginal and Torres Strait Islander Communities

**When:** 3-4 December, 1998  
**Where:** Sydney  
**Enquiries:** National Centre for Health Promotion  
**Ph:** 02-9351-5129  
**Fax:** 02-9351-5205

**Disclaimer:** Information about these conferences has been obtained from a variety of sources. No liability for the accuracy of dates or other content is assumed. For further information, please refer to the respective contact organisations or persons.

## ABROAD

### Conferences...

#### Council on Foundations

Fall Conference for Community Foundations

**When:** 12-14 October  
**Where:** Miami Beach, Florida  
**Enquiries:** Conference Information Desk  
**Ph:** 0011-1-202-466-6512  
**Fax:** 0015-1-202-785-3926  
**Email:** confinfo@cof.org

#### The Drucker Foundation

1998 Leadership and Management Conference  
Wisdom to Action : Ideas and practices that transform organisations

**When:** November 9-10, 1998  
**Where:** Los Angeles, California  
**Enquiries:** The Peter F. Drucker Foundation for Nonprofit Management  
**Ph:** 0011-1-212-224-1174  
**Fax:** 0015-1-212-224-2508  
**Email:** info@pfd.org

#### New Zealand Association of Philanthropic Trusts

**When:** 4-5 November, 1998  
**Where:** New Zealand  
**Enquiries:** Bob Moffat, Executive Director  
P.O. Box 1521, Wellington  
**Ph:** (04) 499 4090  
**Fax:** (04) 472 5367

#### Council on Foundations

50th Annual Conference

**When:** 19-21 April, 1999  
**Where:** New Orleans, Louisiana, USA  
**Enquiries:** Conference Information Desk  
**Ph:** 0011-1-202-466-6512  
**Fax:** 0015-1-202-785-3926  
**Email:** confinfo@cof.org

#### International Association for Volunteers Effort (IAVE)

World Volunteer Conference

**When:** 23-27 August, 1998  
**Where:** Edmonton, Alberta, Canada  
**Enquiries:** The Wild Rose Foundation  
**Ph:** 0011-1-403-422-9305  
**Fax:** 0011-1-403-427-4155

#### European Foundation Centre

Annual general assembly and Conference 1998

**When:** 8-10 November, 1998  
**Where:** Turin, Italy  
**Enquiries:** The EFC  
**Ph:** 0011-32-2512-8938  
**Fax:** 0011-32-2512-3265  
**Email:** efc@efc.be

# Members of Philanthropy Australia Inc.

## Full members

Estate of the Late George Adams  
George Alexander Foundation  
AMP Foundation  
The Andrews Foundation  
ANZ Foundation  
ANZ Trustees, Melbourne  
Australia Foundation  
Australia Foundation for Culture & The Humanities  
Australian Hospital Care Ltd.  
Australian Multicultural Foundation  
The Australian Youth Foundation  
The Percy Baxter Charitable Trust  
The Body Shop  
Bokhara Foundation  
Brash Foundation  
The Jack Brockhoff Foundation  
The William Buckland Foundation  
L.E.W.Carty Charitable Trust  
Clean Up Australia Ltd.  
Colonial Foundation Ltd.  
Danks Trust  
Education Foundation  
Equity Trustees  
The Felton Bequest  
The Foundation for Development Cooperation  
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Institute for Social Research  
The Invergowrie Foundation  
A. L. Lane Foundation  
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The Dafydd Lewis Trust  
The Flora & Frank Leith Charitable Trust  
Lord Mayor's Fund  
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Macquarie Charitable Foundation Ltd.  
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Ronald McDonald's Children's Charities  
H.V. McKay Charitable Trust  
Melbourne Community Foundation  
The Miller Foundation  
The Myer Foundation  
Sidney Myer Fund  
National Australia Trustees Ltd.  
National Mutual Trustees Ltd.  
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Perpetual Trustees Australia Ltd.  
Pethard Tarax Charitable Trust  
The Ian Potter Foundation  
The Queen's Trust for Young Australians  
The Queensland Community Foundation  
The R.A.C.V. Foundation  
Lance Reichstein Charitable Foundation  
Rio Tinto Services Ltd.  
R.E. Ross Trust  
Rothschild Australia Asset Management Ltd.  
Royal Melbourne Institute of Technology  
Sir Albert Sakzewski Foundation  
Helen M. Schutt Trust  
Fleur Spitzer  
State Trustees Ltd.  
The Stegley Foundation  
Sunshine Foundation  
Telematics Course Development Fund Trust  
Trust Company of Australia Ltd.  
R. & J. Uebergang Foundation

(1998)

# Membership

## for Grantmakers

The Gualtiero Vaccari Foundation

Victorian Womens Trust Ltd.

Sylvia & Charles Viertel Charitable Foundation

J.B. Were & Son

Westfield Foundation

Westpac Banking Corporation

The Norman Wettenhall Foundation

The Hugh Williamson Foundation

WMC Resources Ltd.

### Associate Members

AMA (NSW) Charitable Foundation

Anti-Cancer Council of Victoria

Benevolent Society of NSW

Eye Research Foundation

The Garvan Research Foundation

The Bobby Goldsmith Foundation

The Hammond Care Group

Ideal Human Environment Social Research Foundation

The Landcare Foundation

Monash University

The Northcott Society

Royal Blind Society, NSW

Rusden Foundation

The St. James Ethics Centre

The State Library of Victoria Foundation

Stuttering Research Foundation of Australia

Sydney City Mission

Sydney Symphony Orchestra

United Way Australia Ltd.

The University of Melbourne (Alumni Office)

Victoria University of Technology Foundation

**Philanthropy Australia** is the umbrella body for major grant making private, family and corporate trusts and foundations in Australia.

Established in 1975 the Association represents the diverse interests of its members to government and the community.

An extensive range of programmes and services are offered to members. Specific activities include:

- A resource library of local and international information
- Regular discussion groups/workshops for members on issues relevant to philanthropic or trust operations
- Assistance to individuals and corporations planning to set up trusts and foundations
- Monitoring legislative activity

## New Members

The Association would like to welcome the following new members:

### Full members

Bankers Trust Australia

Levi Strauss (Aust) Pty Ltd.

The Pratt Foundation

### Associate Members

Association for the Blind

Asthma Foundation of NSW

Inspire Foundation

The Leukaemia Foundation

For further information and membership form:

Philanthropy Australia

3/111 Collins Street

Phone: (03) 9650 9255

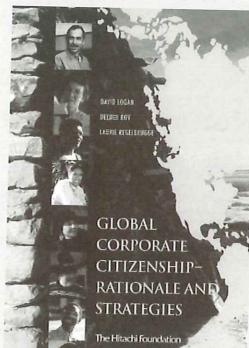
Fax: (03) 9654 8298

Email: pa@philanthropy.org.au

# Other Publications

The Australian Directory of Philanthropy  
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The Australian Guide to Scholarships & Awards  
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& Awards The Australian Guide to Scholarships



## AUSTRALIAN DIRECTORY OF PHILANTHROPY

1998-1999 – 9th Edition

**COST – \$45**

Published by Philanthropy Australia Inc, this directory is the most comprehensive reference on sources of non-government funding in Australia

- An exhaustive index of over 300 trusts and foundations,
- Accessible information about trusts, foundations and corporate funds,
- A source of basic data for those working in the sector or other related fields; and
- Comprehensive data for researchers in the field of philanthropy

## THE AUSTRALIAN GUIDE TO SCHOLARSHIPS & AWARDS 1997-1998

**COST – \$45 (organisations) \$25 (individuals)**

Philanthropy Australia Inc. has published the first extensive guide to scholarships, and awards, available from trusts, foundations and other funding bodies. It includes the arts, overseas study, medical research, education, sport and community organisation. The guide provides a clear and easy way of finding this vital information.

## GLOBAL CORPORATE CITIZENSHIP – RATIONALE AND STRATEGIES

The Hitachi Foundation, 1997

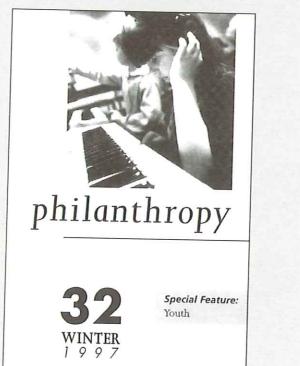
**COST – \$70**

This book examines and documents the activity of dozens of individual companies that, collectively, are defining more clearly the rather ambiguous concept of global corporate citizenship.

## PHILANTHROPY – QUARTERLY JOURNAL

**Annual Subscription – \$50**

Philanthropy has a greater role to play than ever before. As the official Journal of Philanthropy Australia, **Philanthropy** is uniquely placed to highlight what and who trusts are funding. It is a must for those seriously seeking funds for their community activities.



# Resource Centre

## **How does the Resource Centre meet the needs of Grantseekers?**

**The Resource Centre provides its members with the most comprehensive information about national and international philanthropy.**

### **Membership benefits include:**

- Consultation with experienced staff
- Appraisal of submission
- Access to library materials, including guidelines, directories, annual reports, and research reports
- Access to telephone reference assistance
- Publications

**Membership of the Resource Centre is available to Community Sector Organisations and Individuals.**

### **For membership contact:**

Philanthropy Australia Inc.  
Level 3, 111 Collins Street, Melbourne Victoria 3000  
Ph: (03) 9650-9255 Fax: (03) 9654-8298  
Ph: (02) 9362 3264 Fax: (02) 9362 1215  
Email: [pa@philanthropy.org.au](mailto:pa@philanthropy.org.au)  
Web site: <http://www.philanthropy.org.au>

Philanthropy, Quarterly Journal of Philanthropy Australia Inc.

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website: <http://www.philanthropy.org.au>

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