

Australian Philanthropy

Spring 2002 – Issue 49

Features: Good Governance and Better Boards
Everything You Wanted to Know About Prescribed Private Funds
(But Were Afraid to Ask)



*National Association for Grantmaking Family, Private,
Corporate and Community Trusts and Foundations*



PHILANTHROPY
Australia

Grantmaking Essentials: Practice, Policy, Priorities

A seminar for current and would-be grantmakers in Australia

Grantmaking Essentials: practice, policy, priorities is a professional development opportunity for people at every level of experience in the field of grantmaking.

It is an ideal refresher for personnel with years of experience and also for newcomers and intending practitioners. You are invited to learn more about the environment and current good practice of grantmaking, raise skill levels, review your own grantmaking program, and strengthen your capabilities.

Who should attend?

The seminar is open to anyone engaged with grantmaking, especially:

- Staff and trustees of trusts and foundations, including operating foundations, community foundations and statutory funds
- Individual donors
- Allied professionals such as financial and legal advisers

What will be covered?

- Popular and effective strategies in information management and administration
- Nuts and bolts of grantmaking, including receiving, researching, monitoring and acquitting
- Funding proposals, and making best use of systems, technology and tools
- Essential ingredients of a 'great grant'
- Building effective relationships with grantseekers and making the most of every grant dollar
- Governance and accountability
- Grantmaking ethics, values and the politics of giving
- Philanthropic grantmaking in the context of a civil society
- Mapping the territory of philanthropy across the world

Expertise

Genevieve Timmons presents and leads the seminar and brings 15 years experience of grantmaking, as an executive manager, consultant and trainer in Australia and internationally. Genevieve is a Senior Fellow of the Johns Hopkins International Fellows in Philanthropy.

Vanessa Meachen brings specialist information from four years of experience as the Research and Information Officer with Philanthropy Australia, the national membership association for philanthropic trusts and foundations.

Dates

Melbourne: Tuesday 29 October 2002 9am – 4pm

Sydney: Thursday 31 October 2002 9am – 4pm

Prices

\$550 inclusive of GST

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From the President



This edition of *Australian Philanthropy* again looks at issues of transparency and accountability. Some questions for thought are raised about foundation governance, particularly in regard to board composition and conduct.

There is no doubt that community interest in more accountable corporate governance has grown in recent times. The not-for-profit sector, however, is also being increasingly asked to look at its governance and reporting practices. In this era of partnerships between sectors, and growing awareness of the responsibility of all organisations to their stakeholders, any decision maker is obliged to think about better ways of working (even if it is voluntary work).

Charitable trusts and foundations are no exception. While there are so many different types of philanthropic bodies, it would not be sensible to prescribe a single model of governance. There are however, a number of principles that apply generally, and which are useful for boards and trustees to consider. After all, achieving our philanthropic objectives in the most efficient and effective manner is a shared goal, as is safeguarding the integrity and good reputation of the sector. These are some of the benefits of good governance.

Much of this issue is also devoted to taxation news, with a substantial overview of Prescribed Private Funds prepared by John Emerson of Freehills. John regularly contributes his valuable time and legal expertise pro bono for the advancement of philanthropy, and we are extremely grateful to him and to Freehills.

Philanthropy Australia has a full and stimulating program planned for coming months, including visits by Dr Diana Leat (who will speak about her research on foundation governance and accountability) and Steven Burkeman from the United Kingdom Community Fund, workshops for grantmakers, and the national conference taking place in Sydney next March. We hope through these forums, our website and the pages of this journal that we can offer something of value to everyone with an interest in giving.

A handwritten signature in black ink that reads "Lady Southey". The signature is written in a cursive, flowing style.

Lady Southey
President

From the National Director



A strong national voice for Australia's third sector

One of the most exciting developments in the non-profit sector in recent times is the move to establish a Third Sector Round Table.

Australia's non-profit (or third sector) is a vital element in Australia's economic, social and political life, but the sector is rarely acknowledged and is not well understood. We tend to divide our institutions into public or private – yet 65 per cent of Australians belong to at least one third sector organisation. About 40 per cent describe themselves as active members. There are more than 34,000 third sector organisations, employing some 460,000 effective full time staff – 7.6 per cent of the Australian workforce and 12 per cent of private employees. The sector's overall turnover exceeds \$59 billion – and this within an economy which has an overall gross domestic product of some \$490 billion.¹

Professor Mark Lyons, from the Centre for Australian Community Organisation Management (CACOM) at the University of Technology, Sydney, has identified six features common to third sector organisations:

- Centrality of values
- Complexity of revenue generation
- Reliance on volunteers
- Difficulty in judging performance
- Complex accountabilities
- Likelihood of experience with board/staff conflict

Broadly speaking, third sector organisations deal with social and cultural values, rather than economic values – and these values are very diverse.

Representatives from a number of Australian non-profit peak bodies met recently to consider the creation of a national Round Table, membership of which would be open to national, peak body organisations. Robert Fitzgerald AM, NSW Commissioner for Community Services has agreed to act as Chair.

The hope is that the Round Table will add value to the sector by focussing on common issues, building on existing research and policy and presenting a strong, national voice on these mutually agreed issues. Its primary role should be seen as promoting the positive contributions of the sector to government, business, the media and the general public.

Philanthropy Australia is delighted to be facilitating this initiative, which we hope will strengthen the non-profit sector and increase recognition of the vital work it undertakes for the benefit of Australians.

1 Mark Lyons Third Sector Allen and Unwin, Sydney 2001.



Elizabeth Cham
National Director

Non-profit groups link up to present united front

Wed 26 June 2002

FINANCIAL REVIEW

Michael Cave

Australia's \$30 billion-a-year not-for-profit sector is likely to emerge as a more organised, focused and political conglomerate after a meeting in Melbourne yesterday laid the foundations for a new charitable co-operative.

To be known as the Third Sector Roundtable, the body will be chaired initially by the NSW Community Services Commissioner and a former Australian Council of Social Service national president, Robert Fitzgerald.

One of the key roles of the roundtable will be to raise public

awareness of the efforts of not-for-profit organisations and the Australian volunteers who every year contribute more than 700 million hours to the community.

"These groups are realising they have to work to achieve common goals."

Mr Fitzgerald said over the past 12 months, lack of recognition of the value of the work done by not-for-profit organisations had left the sector open to a campaign against

non-government and not-for-profit organisations.

"Some bodies question the value of non-government agencies and their right to have a voice and there have been campaigns by some governments to reduce the level of advocacy," he said. "This [new body] is a clear call that agencies with a real concern about the wellbeing of Australians expect to be taken notice of."

Because Australia's 320,000 incorporated third-sector organisations are normally locked in competition for funding and volunteers, yesterday's meeting was the first time such diverse not-for-profit

groups — representing the environment, education, health, culture, sport and community assistance — have sat down together in this country.

Philanthropy Australia CEO Elizabeth Cham said the not-for-profit sector was taking a new shape.

"These groups are realising they have to come together and work to achieve common goals," she said.

Ms Cham said the not-for-profit sector was still stinging from the introduction of the GST and its impact on the sector. If the roundtable had been in place three years ago, it could have co-ordinated a campaign for exclusion of volunteer

services from the tax.

"The new roundtable will work alongside the Prime Minister's Community Business Partnership roundtable on how to grow philanthropy," she said.

"It will give us the opportunity to speak with one voice and take a political stance on issues that affect the sector."

The 18 bodies represented — including Volunteering Australia, the Australian Conservation Foundation, Sport Industry Australia and the National Association of Visual Arts — will meet in three months to give the project the final go-ahead.

Australia's First National Conference on Philanthropy

Philanthropy Australia will host its inaugural national conference in Sydney during 17-19 March 2003.

Entitled 'Philanthropy: Venture Capital for the Common Good' the conference will provide an opportunity to engage in a debate about the role of philanthropy in the 21st century; its successes, its failures and the tasks ahead.

Australian philanthropy is entering its second century. In the next decade we will see the impact of the inter-generational transfer of wealth, in which unprecedented sums pass to the baby boomer generation. What better time to raise the profile of philanthropy and discuss the opportunities it presents?

The conference will be of interest to staff and trustees of philanthropy trusts and foundations, individual donors, non-profit and charitable organisations, professional and financial advisers, academics in the field of third sector research, policy professionals from government and the third sector and media representatives.

The conference agenda will focus on challenging and redefining the role of philanthropy in the creation of a stronger, healthier Australian society. It will also provide a series of practical workshops which will focus on strengthening grantmaking skills and present topical research and information.

The Philanthropy Australia Conference will provide an important opportunity to raise media and public awareness of Australian philanthropy and its contribution to Australian society.

More details will be available on the Philanthropy Australia website and in the Summer edition of *Australian Philanthropy*.

Major New Research Project on Australian Philanthropy

Philanthropy Australia has entered into a partnership with Deakin University to conduct vital new research into Australian philanthropy.

The two year project entitled 'New Trends in Foundation Formation,' will examine the establishment and development of newly formed philanthropic foundations, investigate forms of accountability, and develop transparency and accountability protocols for Australian foundations.

The aims of the study are:

- To provide information on trends in foundations including rationale, structures, investment and grantmaking policies

- To identify and analyse the implications of the establishment of new foundations on other philanthropic organisations
- To identify and analyse the implications of the establishment of new foundations on public policy
- To analyse the regulatory frameworks that affect the operation of foundations
- To map the forms of accountability in foundations
- To make recommendations for the establishment of transparency and accountability protocols for philanthropic foundations in Australia

The results of the study will be used to inform government, business and the philanthropic sector as a whole, as well as help Philanthropy Australia to better guide its advocacy work, policies and member services.

The research will be undertaken under the leadership of Associate Professor Sue Kenny, Director, Centre of Citizenship and Human Rights at Deakin University, and is supported by a grant from the Australian Research Council.

New Membership Services Officer for New South Wales



Jane Kenny

Jane Kenny has been appointed as Philanthropy Australia's Membership Services Officer – NSW.

She will be responsible for providing information, advice and assistance to the national peak body's New South Wales members, as well as building the organisation's profile in the philanthropic and broader community.

Prior to her appointment, Jane worked for eight years as an organiser with the Independent Education Union, and before that was a primary school teacher. As President of the Loreto-Kirribilli Ex-Students Association, Jane has hands-on experience in fundraising, event planning and funds management.

She is excited by the growth of the community foundation movement, particularly after witnessing the energy of the Community Foundations Forum held in Katoomba earlier this year.

"I am passionate about community development and believe that foundations are the ideal vehicle for empowering communities and groups to achieve their goals," she said.

Australian Directory of Philanthropy – Now Online

Australia's only comprehensive directory of philanthropic organisations, The Australian Directory of Philanthropy, is now available online to full and associate members of Philanthropy Australia, as well as subscribers to the Resource Centre and Directory.

An additional bonus is the search function which allows users to locate grantmakers in particular areas of activity.

For further information, contact Vanessa Meachen or Louise Arkles at Philanthropy Australia on (03) 9620 0200 or email: pa@philanthropy.org.au

Grantmaking Essentials: Practice, Policy, Priorities

Philanthropy Australia is offering workshops in Sydney and Melbourne for current and potential grantmakers.

The seminars are open to anyone engaged in grantmaking, especially staff and trustees of trusts and foundations, including operating foundations, community foundations and statutory funds, individual donors, and allied professionals such as financial and legal advisers. It is an ideal refresher for people with years of experience, as well as a helpful guide for new and intending grantmakers.

Genevieve Timmons presents and leads the seminar, bringing the experience of 15 years of grantmaking, as an executive manager, consultant and trainer both in Australia and internationally. Genevieve is a Senior Fellow of the Johns Hopkins International Fellows in Philanthropy, a Fellow of Leadership Victoria and is conducting post-graduate research at the University of Melbourne.

Vanessa Meachen brings specialist information from four years experience as the Research and Information Officer with Philanthropy Australia.

Topics to be covered include strategies in information management and administration, the nuts and bolts of grantmaking, including receiving, researching, monitoring and acquitting funding proposals, essential ingredients of a 'great grant', building effective relationships with grantseekers and making the most of every grant dollar, governance and accountability, ethics, values and the politics of giving, grantmaking in a civil society and philanthropy across the world.

The seminars will take place in Melbourne on Tuesday 29 October and in Sydney on Thursday 31 October. Cost is \$500 for Philanthropy Australia members, \$550 for non members (GST inclusive).

Register online at www.philanthropy.org.au/workshops or call on (03) 9620 0200.

Steven Burkeman Heading Back to OZ



Steven Burkeman

The ever-challenging Steven Burkeman is heading back to the southern hemisphere shortly. As well as appearing as the keynote speaker at Philanthropy New Zealand's biennial conference, Steven has agreed to drop in to Sydney and Melbourne in early October to address Philanthropy Australia members.

Steven worked as a teacher, and then in welfare rights, local government, and as a consumer advocate in the National Health Service in the United Kingdom.

As Trust Secretary at the Joseph Rowntree Charitable Trust, he took a particular interest in the Trust's grantmaking for corporate responsibility, democratic process and work in South Africa.

Since leaving the Rowntree Trust in 2001, after almost 20 years, Steven has pursued other interests. He takes on consultancy assignments for foundations and others interested in philanthropy. He is a board member of the Community Fund, the UK's largest generalist grantmaker, and is one of the first lay members of the Council of the Law Society, the body that represents and regulates part of the UK legal profession.

While in Australia, Steven will speak about the relationship between philanthropy and the State. "Why do states allow foundations to exist? What should the State expect of them, and what should they expect of it?" Steven will set out some radical new ideas about foundation accountability, and explore the practical implications of renegotiating the 'contract' which foundations have with the State.

This will be his third visit to Australia.

Affinity Groups in Action

Affinity groups provide an opportunity for grantmakers with common philanthropic interests to meet, learn informally and exchange information. There is potential also for partnerships and other forms of collaborative funding to be developed through these networks.

For Affinity Group information or membership, please contact Grant Hooper on (03) 9612 9030 or g.hooper@philanthropy.org.au

The convenors of the four active Affinity Groups provide *Australian Philanthropy* with an update on their current activities.

Agriculture and Rural Affairs Affinity Group

*By Chris Nixon, Chairman
Geoffrey Gardiner Dairy Foundation*

The inaugural meeting of the Agriculture and Rural Affairs Affinity Group was held on 26 June 2002. Following a stimulating opening address from Philanthropy Australia Patron and Chief Scientist to the Department of Natural Resources and Environment (DNRE), Sir Gus Nossal, Bruce Kefford, the Director of Agriculture at the DNRE, painted an exciting vision of the agriculture sector in 2020.

The group then explored its desired working approach for the future.

The purpose of the group was agreed as “assisting members who wish to fund the agriculture sector to be fully informed in the field thus enabling wise and appropriate project funding.”

Subsets of this purpose were agreed to include:

- To listen to people with expertise or key policy roles in agriculture
- To build a knowledge of philanthropy in agriculture
- To provide a forum to discuss different policies and approaches
- To consider partnerships that would fund selected projects in agriculture

It was suggested that the group should commence by focussing on issues relating to people and communities and then on issues of sustainability and technology.

Suitable speakers are now being canvassed and will be requested to provide a broad overview of the topic leading to the identification of potential areas of philanthropic involvement.

The group's future meetings and activities will be advertised as soon as possible in the Philanthropy Alert distributed to members of Philanthropy Australia on a regular basis and in the 'What's On' section of the Philanthropy Australia website www.philanthropy.org.au

Indigenous Affinity Group

*By Charles Lane, Chief Executive Officer
The Myer Foundation*

The Indigenous Affinity Group (IAG) is Philanthropy Australia's first affinity group. Commenced in 1998, its initial members were the ANZ Trustees, Australian Youth Foundation, Lumbu Indigenous Community Foundation, The Myer Foundation, The Reichstein Foundation, Rio Tinto Aboriginal Foundation, The Stegley Foundation, Sydney Myer Fund, Queen's Trust for Young Australians, in concert with a number of other Aboriginal people involved in the sector.

The group was established with the following purpose – “to encourage grantmakers (private and corporate philanthropists, trusts and foundations, and individual donors) to work together in a variety of ways so that indigenous people and communities in Australia get access to a fair share of the philanthropic dollar.”

The original objectives of the group were “to direct the philanthropic dollar to indigenous people, communities and projects in Australia where it is most needed and in ways that will benefit the indigenous people affected and achieve sustainable results, including reconciliation between indigenous and non-indigenous people. To do this in discussions with and involving indigenous people.”

The members of the group are currently reviewing its purpose and objectives.

Membership of the group is open to individuals and organisations that grant funds. The group's membership currently totals 19, consisting of individuals, corporations, trusts and foundations.

These members enjoy the opportunity to hear presentations from indigenous leaders and organisations working on indigenous issues. Through these discussions, members of the affinity group have gained a greater understanding of the issues pertinent to indigenous people, which has in turn assisted their grantmaking in this area.

The Indigenous Affinity Group is currently looking at how it may assist to obtain a higher rate of indigenous post-graduate scholarship. Professor Marcia Langton, Co-ordinator of Australian Indigenous Studies at The University of Melbourne, spoke to the group about the need for work to be done in this area. As a first step, the group will soon be commissioning an audit of the post-graduate training opportunities that currently exist for indigenous scholars.

A recent phenomenon within the philanthropic sector is the emergence of indigenous controlled philanthropic foundations, one of which, the Lumbu Indigenous Community Foundation, is an IAG member. The members of the IAG welcome this development which has prompted the group to discuss how it can best collaborate with this group.

Early Intervention Affinity Group

*By Dorothy Scott, Executive Secretary
The Ian Potter Foundation*

Philanthropy – The Yeast for Creating Innovation in Early Intervention?

The objective of the Early Intervention Affinity Group is “to enhance the capacity of philanthropic bodies to assist children, young people and families by identifying, supporting and disseminating best practice early intervention research and initiatives.” Our interest is in how to support initiatives that will facilitate the healthy development of children and prevent a broad range of inter-related problems such as child abuse and neglect, school failure, mental health problems, illiteracy, drug dependence and juvenile crime. There is now strong evidence supporting the effectiveness of prevention in relation to such problems.

Our Affinity Group meets in Melbourne for seminars on a quarterly basis, and new members are most welcome.

Philanthropy has a proud history of supporting some of the most successful initiatives in the fields of child health, education and welfare over the past two centuries, often pioneering paths that governments later followed. However, foundations have also wasted resources by supporting programs for which there was no evidence to suggest that the outcome would be positive, or by supporting successful projects that collapse as soon as the grant ends.

With the assistance of input from experts in the field, we have explored the following issues over the past 12 months.

1. Understanding the Context of Early Intervention

We have become more aware of the complexities of Federal, State and Local Government responsibilities, and the artificial boundaries between health, educational and welfare services for children and families. We have therefore given thought to ways of transcending these boundaries, and have closely examined the changing roles of government, the market and the non-profit sector in order to define the most appropriate role for philanthropy.

2. Identifying and Evaluating Innovation

The above analysis has led us to conclude that the best role for foundations may be providing the yeast for the development of new ideas and approaches that offer different directions for a whole field. Thus we have looked at:

- How can we assess grant applications for their innovative potential?
- What is the evidence to suggest that a project might be effective?

- How should evaluation be built into the initiative and what proportion of the project budget should be devoted to this?

3. Sustainability and Taking Success to Scale

While the philanthropic field is getting better at backing innovation, it is yet to master the challenges of sustainability, dissemination and taking successful initiatives to scale across a whole service system. We have therefore been thinking about:

- How might we assist in ensuring that it is sustainable and avoid abandoning communities in our haste to embrace the next exciting initiative?
- How might we support the dissemination of knowledge from an effective initiative so that others may benefit?
- How might we assist in helping others to replicate/adapt a successful approach?

Some of these questions highlight the limitation of a short-term approach to grantmaking and the need for foundations to consider doing fewer projects more thoroughly and maintaining a longer commitment to carefully chosen priority areas.

Strengthening families and rebuilding communities so that they can nurture healthy and well-adjusted children has perhaps never been more important in our society than it is now. Visionary and knowledge-based philanthropy has a vital role to play in meeting this challenge.

Disability Affinity Group

*By Ben Bodna, Trustee
The Jack Brockhoff Foundation*

The Disability Affinity Group is currently oversighting the research and development project funded by member foundations for encouraging leadership training opportunities for people with disability. Laurence Joseph, Executive Director of The Gandel Charitable Trust, chairs the responsible sub-committee, and the investigation is being led by Dr Kelley Johnson who has written several influential books on enhancing self determination for people with disabilities.

Another mutually supported project is taking shape through discussions with representative organisations and government agencies on expanding advocacy initiatives by people with disabilities.

The most recent meeting of the Group involved a discussion with Arthur Rogers, Director of Disability Services with the Victorian Department of Human Services, who advised on the implementation of the recent State Plan for disability services. All interested foundations will be warmly welcomed to the meetings.

Community Foundation News

Andrew Lawson – New Community Foundation Development Officer

Andrew Lawson recently joined the staff of Philanthropy Australia as Community Foundation Development Officer. Working part-time from his home base in Geelong, Andrew's role is to liaise with, advise and assist existing and developing community foundations throughout Australia.

His first task has been to conduct an audit of the various established and emerging community foundations to gauge what the main issues are, and to provide links between communities who can advise and support each other.

"I see one of my main roles as helping communities ensure that the vehicle they choose for local development can deliver what they require," he said.

"For some the traditional foundation model – making grants to charities – might be the right way to go. But one size doesn't fit all, and they need to be aware of the options available."

"Technical issues such as trust deeds and tax deductibility are crucial, and worth getting right from the onset. I hope to provide a central point for advice on such matters," Andrew explained.

Andrew Lawson was instrumental in setting up the Geelong Community Foundation, and is able to share his considerable experience in community development and fundraising work. He is a Life Governor and Past Chairman of Geelong United Way, a former council member of the Deakin University Foundation, as well as a member and past President of the Geelong Rotary Club.

Andrew Lawson's working life commenced in the mills of Bonds Industries, where he became an industrial engineer. He then joined the Huyck Corporation, an American-based company which manufactures textile felts and fabrics for the papermaking industry, as a technical service engineer.

He went on to serve the company for 16 years during which time he was Managing Director of Huyck Australia, President and General Manager of Huyck Canada, as well as working for the company in Albany, New York and the corporate head office in North Carolina.

A long management career has also included terms as National Marketing Manager at Containers Packaging Ltd and General Manager of Backwell IXL.

In 1978, Andrew was the Campaign Manager for Community Chest's 25th campaign. Later Community Chest became United Way and Andrew was the



Andrew Lawson

President of the United Way Board from 1985-87. He took on the part time role of Executive Officer in 1999 to assist in the formation and development of the Geelong Community Foundation.

Andrew's 12-month appointment to Philanthropy Australia has been funded by a grant from the Mott Foundation to a community foundation development task-force comprising Philanthropy Australia, Foundation for Rural and Regional Renewal (FRRR) and Community Foundations of Australasia (CFA).

Bass Coast Community Foundation

A new community foundation has been formed on the southern coast of Victoria, centred on the town of Wonthaggi.

As well as having a vibrant community life, Wonthaggi is well known for its rich coal-mining and union history.

The Steering Committee is chaired by the former state Member of Parliament for the area, and former Victorian Liberal Party Leader, the Hon Alan Brown, and also includes the current local MP, independent Victorian MLA, Susan Davies.

The mission statement adopted by the Steering Committee is "to enrich the quality of life in the Bass Coast community by building a long-term source of funds for community needs."

The Steering Committee is now meeting each month, has applied for registration of the foundation, and has sought in-principal support from various business groups.

The Committee has also decided to run a competition to find an appropriate logo, which will have the additional benefit of raising the profile of the foundation in the community.

The Bass Coast Shire Council has donated \$1,000 towards setting up the foundation, and has agreed to provide administrative support for six months.

Community Foundations in Australia: An Overview

By Andrew Lawson

Development of Community Foundations in Australia can be separated into two time-frames, that is, those which were launched and developed before and those that arrived after the emergence of the Foundation for Rural and Regional Renewal (FRRR) and Philanthropy Australia as sponsors of their development. In the 'before' category are Community Foundations such as the Melbourne Community Foundation, The Greater Melbourne Foundation, Tasmanian and Queensland Foundations. In the 'after' category, and dating from 1999, are Foundations which are now established and these are Geelong, Ballarat, Mildura and Benalla.

As well as these 'established' Foundations, which are at various stages of growth and development, there are more Foundations in the process of incorporating their Trustee Company and working through the steps required to receive Tax Exempt and Deductible Gift Recipient Status, and regions which are at the feasibility and pre-feasibility stages or emerging.

In the 'after' period, the Geelong Community Foundation was the first to achieve Deductible Gift Recipient and Tax Exempt status and the Foundation was launched in December 2000. Capital assets are now \$2.5 million and in the 2001-2002 period \$120,000 has been allocated to projects in the region. The Geelong Community Foundation covers the City of Greater Geelong, Borough of Queenscliff and the Shires of Surfcoast and Golden Plains. An active and ongoing donor development program is being pursued.

The Ballarat Community Foundation received a grant from the Timken Foundation and is now in operation. A fund raising program is being put in place to raise \$1 million with a 12 months campaign.

The Chaffey Community Foundation in Mildura has all approvals in place from the Tax office and is currently working up plans for growth and development.

Wingecarribee Community Foundation is working on the best structure and way to move development forward in this rural area centred on Bowral in NSW.

Mumbulla Community Foundation is working through the Deductible Gift Recipient process with their Trust Deed at the Tax office.

The Today Tomorrow Foundation is the Community Foundation in Benalla and is now in operation. One of the first projects which they are working on is the Crossing Place Project.

Wyndham Community Foundation has been formed to cover the Werribee area. The Trustee Company,

Wyndham Community Foundation Limited, has been incorporated and application will be made for Tax Exempt and Deductible Gift Recipient status.

A feasibility study has been completed for the Bass Coast Community Foundation and the recommendations are that the Foundation should proceed to incorporate the Trustee Company and apply for Tax Exempt and Deductible Gift Recipient status.

The Tumut Community Foundation has recently completed a feasibility study and plans to move forward to incorporate and apply for Deductible Gift Recipient Status and Tax Exemption. The plan here is for a foundation that covers the Shire of Tumut.

In Bendigo, the Central Victoria Foundation is being formed to be the Foundation that will cover six municipal areas. These are the City of Greater Bendigo and the Shires of Mount Alexander, Central Highlands, Loddon, Campaspe and Ganawarra.

In the Barossa, the Barossa Region Community Foundation has incorporated the Trustee Company and is ready to move forward with their Trust Deed and achieving endorsement as Tax Exempt and a Deductible Gift Recipient.

The Central Queensland Foundation has incorporated their Trustee Company and is now moving to develop the Foundation. This Foundation will cover 24 council areas and 32 per cent of Queensland. A decision has been made to operate the charitable component through the Queensland Foundation.

In the South East of South Australia, work is proceeding on a Foundation structure similar to the Bendigo, Central Victoria model. The aim is to draw together the region from Keith in the North to Robe and the Limestone Coast in the south with a Foundation centred on Mt Gambier.

At Buderim in Queensland, a feasibility study is to be carried out in coming months. At present the War Memorial Community Association is the umbrella organisation for some 60 groups including halls, libraries, schools etc. The Foundation concept is being looked at as an opportunity for restructure and renewal in the region.

The Northern Rivers area spreads from Grafton to the Queensland border along the Northern NSW coast. FRRR has funded the start up work here and work is under way to develop this Community Foundation.

Foundations are also being explored in places such as The Yorke Peninsula, Loxton/Waikerie, Warrnambool, Sydney, Perth, Noosa, the Northern Territory, Port Augusta and Northern South Australia, and in a number of Melbourne council areas, such as Boroondarra and Whitehorse.

A Strong Sense of Place: The Wingecarribee Community Foundation

By Dr Helen McCue, Chairperson WCF

In the beautiful country that is the Southern Highlands of New South Wales, 1.5 hours from Sydney, is where the Wingecarribee Community Foundation (WCF) began in June 2000.

As a local resident who has worked in community development in Australia and overseas, I decided to gather a dedicated group of community leaders who realised there was a need for long term sustainable community development that could not be met by Federal, State or Local Government. Through Philanthropy Australia, I had learnt about the role of community foundations. A 12-member steering committee was formed to attract funds and build a community foundation in the Wingecarribee.

A feasibility study in September 2001, funded by the Foundation for Rural and Regional Renewal confirmed the viability of a community foundation.

WCF Focus

The focus of our work is addressing youth needs, palliative and respite care, the needs and quality of life of an increasing aged population, the disabled and the protection of the environment and its heritage.

Management Structure

WCF is registered as a company limited by guarantee, governed by a Board of Directors, who work generously and tirelessly on a voluntary basis. Peter Garrett, singer with the rock band Midnight Oil and President of the Australian Conservation Foundation, is Patron of the WCF. A local resident, Peter has been active in public affairs as a commentator, author and advocate, especially on environmental issues. WCF is delighted with the support he has given.

The work of the Board is complimented by a number of committees. Drawing on local skills and knowledge is a Marketing and Communications Committee which has developed a range of informational material and is presently working on a promotional video. A Finance and Investment Committee involves several skilled and respected financial figures from our local community, including the General Manager of the Berrima District Credit Union. As part of the WCF development plan for 2002 a Youth Committee, Grants Committee and Bush Heritage and Environment Committee will also be established. The Board and committees are assisted by the WCF's part-time development officer Ms Valerie Faber.

WCF Goals

- Promote a culture of charitable giving by individuals, families, businesses and corporations within and for the Wingecarribee community.
- Respond to emerging and changing community needs through grantmaking and other program activity.
- Promote and support projects and activities that contribute to the well being and sustainability of the rural and urban communities of Wingecarribee.
- Promote participation in community decision making processes so as to ensure local ownership of our future directions.
- Facilitate and strengthen the opportunities for participation of marginalised and minority groups within our community.
- Celebrate diversity and support cohesion among all groups in our community.

2002 Launch

The WCF was launched in February 2002 by Lady Southey, President of Philanthropy Australia and The Myer Foundation. Guests included WCF Patron, Peter Garrett; General Manager of Philanthropy Australia, Ruth Jones; Helen Morris of The Myer Foundation and Patrick Myer of G4 – The Myer Foundation. Local people and businesses generously contributed to the event on a voluntary basis, reflecting the level of community support for WCF and the spirit of giving that is alive and well in the area.



At the WCF launch in February this year Philanthropy Australia President, Lady Southey; WCF Patron, Peter Garrett and WCF Chairperson, Dr Helen McCue.

Financial Assistance

In its first year of development the WCF has received considerable in-kind and financial support. The Wingecarribee Shire Council provided a grant to assist with incorporation expenses. A grant of \$33,000 has been received from the Foundation for Rural and

Community Foundation News (continued)

Regional Renewal to support the development of the WCF, and The Myer Foundation has granted \$40,000 to establish a youth community radio station. The WCF has been working with local young people and volunteers to establish an independent incorporated body which will employ a skilled media worker to train young people in all aspects of radio.

2002 Fund Development

The focus of our work in our inaugural year has been to inform and educate the local community about the role and function of the Wingecarribee Community Foundation and to build our funds. We have started to develop various funds as well as a community education program around bequests and endowments. We have been very pleased at our progress to date.

A key development has been our partnership with one of the Wingecarribee's major financial institutions, the Berrima District Credit Union (BDCU). Together we have established the WCF-BDCU Community Fund which will focus on youth for the first three years with a starting grant of \$10,000. The BDCU have also provided the pro bono services of an accountant and have contributed to the production of an information kit on the Foundation.

With the support of the Mine Workers' Trust we are in the process of developing a Palliative and Respite Care Fund which will provide scholarships to train carers and support the development of local palliative and respite services. A family trust fund, The Rodmell Fund, has also been established to benefit aged care in the Wingecarribee Shire.

Youth Philanthropy

As part of the WCF development plan, we are focusing on the development of youth philanthropy in our local area. We held the first in a series of Youth Philanthropy Seminars entitled 'Are you Making a Difference ruMAD?'. Patrick Myer from G4 - The Myer Foundation, attended and made a valuable contribution. Specific action plans were developed by youth attending and key community workers were on hand to give direction and advice. A Music Club project has emerged from the seminar. Elizabeth Cham from Philanthropy Australia, also

attended and stayed for a seminar later that day to brief local NGOs on the role and significance of Community Foundations in Australia today.

Costs of setting up the office have been very low with rent-free, shared office space with a local arts organisation in the centre of Bowral. The information kit and promotional video have been generously funded by Richard Ruhfus, local philanthropist and WCF Board member. Marketing and design advice and skills, Web site construction, database development, IT technical assistance, office furniture and computers and have been provided by local people through a most extraordinary generosity of spirit.

WCF had nothing to start with except goodwill and a strong sense of community spirit. In-kind contributions from local people are estimated to be close to \$100,000.

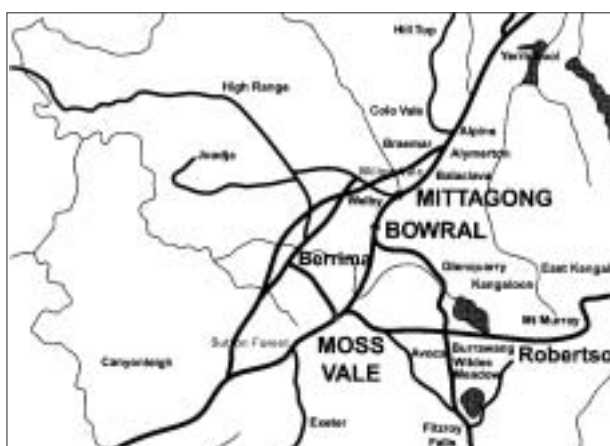
While considerable effort has been spent getting this Foundation up and running, one major frustration remains the issue of tax deductibility and DGR status. Even if we achieve DGR status we will be seriously constrained at the local level by the lack of partner organisations in our area with DGR status. This is a critical issue for Community Foundations in rural and regional Australia where the focus is on broad ranging community development and where in general few organisations have DGR status.

However, we are fortunate that experiences are shared and contact maintained with other community foundations, in particular with the Mumbulla Foundation. Attendance at the Community Foundations International Forum at Katoomba was facilitated by a subsidy from Philanthropy Australia and FRRR. This contact with local and overseas foundations was valuable and informative.

The success of the WCF in its inaugural year is a reflection of the extraordinary generosity of the Wingecarribee community.



Lonie Lee, Barbara Sherrin and Patrick Myer taking part in the 'Making a Difference' workshop held in Bowral in April.



Feature: Good Governance and Better Boards

By Carole Fabian

In the previous edition, Australian Philanthropy looked at the roles of Codes of Practice and public reporting in helping trusts and foundations to become more transparent and accountable.

Now we turn our attention to governance issues, including policies to assist board members and trustees meet the objectives of their foundations.

Recent events in the corporate sector, and a corresponding erosion of public trust, have highlighted the importance of good governance and transparency.

The Australian Stock Exchange is setting up a new Corporate Governance Council to set higher standards for listed companies in Australia, and a code of ethics for Chief Financial Officers is being developed by the Group of 100, a forum for leading CFOs.

In the not-for-profit sector, there is also increasing focus on the need to develop higher standards of accountability, transparency and governance, with bodies such as the National Institute of Governance, third sector peak organisations and various universities becoming involved in research, seminars and discussion papers on these issues.

While charitable foundations are not usually exposed to the same requirements or dangers faced by large for-profit corporations, and generally do not believe themselves to be as directly accountable to the public by virtue of their (mostly) private sources of funds, they have much to gain from examining their own governance practices and reporting methods.

Accountability is important to ensure that those who provide tax relief (governments, tax payers, citizens) donations, or partnerships, can be confident that a foundation is acting in a reputable manner. However, proper accountability measures are also for the good of the organisation itself. Accountability and good governance can help an organisation become more effective and efficient in its operations, as well as enhancing its public acceptance.

For trustees or board members of charitable trusts and foundations, having clear policies and guidelines can actually offer assistance rather than be an additional burden.

As the name itself implies, a trustee carries a huge responsibility – being entrusted to manage and dispense the endowment of a particular individual, family, company or community. The task is usually undertaken for no remuneration, requires no specific qualifications or training, and sometimes with little professional assistance. Clear guidelines and policies for governance can provide trustees with much assistance in meeting

their responsibilities, protecting them from charges of pursuing their own, rather than the foundation's agendas, and can help the foundation itself to be more efficient and effective.

There is no ideal set of policies for boards or trusts, however there are issues that each foundation may wish to consider in light of their own specific history, structure and funding aims.

One of the issues under scrutiny in the corporate world is the quality and diversity of board membership. Companies are urged by experts such as Peter Morgan, Head of Australian Equities at Perpetual Investments, to ensure a breadth of talent, expertise and life experience on their boards, as well as a more diverse spread of age and gender.

Mr Morgan recently told Julie Macken of the Australian Financial Review's 'Boss' magazine that "we have a real weakness at the board level because boards are drawing from a limited group of people. Why can't we have 30 year olds or even 25 year olds on boards? And the lack of women on boards is an enormous lost opportunity... We need women there because they see things differently and that's a competitive advantage." Broadening board membership can help a for-profit organisation better understand its market and ensure that decisions better reflect the needs and interests of stakeholders. But can this advice be of use to charitable foundations?

Where foundations have the discretion to appoint/elect new trustees or board members, they may consider developing policies in regard to set terms; ensuring a diversity of age, gender, background and experience, keeping a balance between people with experience 'at the coalface' (in other words, working with the groups and communities the foundation chooses to fund) and maintaining distance and objectivity.

Many foundations seek people with business and investment qualifications to serve as trustees as a means to strengthen the foundation's capacity to maximise its income. Should, however, the emphasis be greater on community contact and involvement, especially in the particular areas of grantmaking interest? Or is the use of thorough quality research sufficient to ensure this connection? This is not, of course to suggest that business and community involvement are always mutually exclusive.

As Robert Fitzgerald, NSW Community Services Commissioner, pointed out in his address to Philanthropy Australia members in Melbourne recently, more and more non-profit organisations are also seeking additional business acumen on their boards, which has helped improve their skills base and efficiency, but sometimes at the expense of maintaining close contact with the communities they are supposedly serving.

Feature: Good Governance and Better Boards (continued)

Some community (grantseeking) organisations are inviting trustees of philanthropic foundations onto their boards. This may be because of the range of skills and demonstrated commitment to community offered by people who are trustees, but may also be part of a valid attempt by grantseeking organisations to improve their links with funding bodies.

Foundations themselves need to ascertain how much board cross-membership is reasonable, and if or where the line is crossed to a conflict of interest situation.

Conflict of interest policies may be helpful in ensuring that integrity is maintained in the grantmaking process, and in protecting board members themselves from charges of favouritism. While encouraging community activists to become board members improves the chances of 'staying in touch with the coalface', it does increase the likelihood of conflicts of interest arising. In most cases, foundations require their trustees with a particular interest in an applicant organisation or project to declare that interest and to abstain from the decision making process.

Having a direct interest is not wrong by any means. Some foundations, such as corporate staff foundations, are specifically designed to support projects that staff and/or their families are personally involved in. The important issue is to be aware of and explicit about your goals, and tailor governance policies accordingly.

Personal involvement that grows out of passion, commitment and interest is an important driving force in the quest for social change, and its importance should not be underestimated or derided. Many trustees are actively involved in community service through a range of organisations. Some become actively involved in particular projects which come to their attention through the granting process itself. This is entirely honourable. However, if grantmakers wish to be involved in 'the cutting edge' of community development, they need to remain open to new groups, new ideas, new projects and new issues. That requires keeping the door open to those outside a known circle of activists and organisations.

Ensuring board diversity is not always possible or desirable. Many foundations are limited by their trust deed or constitution in their appointment of trustees. In some private foundations, only family members are eligible to be trustees; in some corporate foundations, board membership is limited to directors or employees of the company. There are other ways, however, to ensure that a diversity of input is available.

Reference groups, funding or advisory committees, bringing in outside expertise and regular consultation with people active in funding target areas can be useful. In family foundations, programs to ensure the involvement of different generations can be valuable. Regular reviews – asking 'stakeholders' what they think about the foundations performance – may be a brave move, but it can be very helpful in determining future goals, priorities and ways of working.

For community foundations, the need for transparency and accountability is more obvious, as their missions are based on being inclusive of the entire community they serve. Their boards typically have rotating terms and draw their members from the community. Yet it can become a tricky exercise to ensure that a limited number of board places are filled in a suitably diverse, balanced and fair way, taking into account not just different sections of the community, but competing factions in similar areas of activity.

Becoming more open, accessible and diverse is good business practice for any foundation, and there is no better place to start than at the top – with the board itself.

Working on Governance and Accountability: A Manual for Philanthropic Organisations

Dr Diana Leat, The Myer Foundation Research Fellow in Philanthropy at Queensland University of Technology, has written a manual designed to assist foundations in thinking about the issues of accountability and governance.

Entitled 'Working on Governance and Accountability: A manual for philanthropic foundations' the manual will be published by Philanthropy Australia in conjunction with Deakin University later this year, and Dr Leat will be speaking to Philanthropy Australia members in Brisbane, Melbourne and Sydney about her work, during September. Here is a preview of what the manual has to offer:

Governance and accountability of organisations in the corporate and public sector are under increasing scrutiny. In Australia, Foundations have received less attention when it comes to governance and accountability issues. Philanthropy Australia has an interest in providing information and materials to assist its members maintain the good reputation of the philanthropic sector in Australia.

The word 'governance' is used to refer to what goes on inside an organisation, and 'accountability' refers to wider relationships. Governance has been defined as being "about guiding. It is about the processes by which human organisations... steer themselves" (Centre on Governance in Canada). Good governance is "a system that is transparent, accountable, just, fair, democratic, participatory and responsive to people's needs" (World Conference on Governance, 1999, Philippines).

Why does accountability matter? One argument as to why all non-profits, and particularly foundations, should be accountable is that public accountability is built into the concept of charity via the notion of public benefit. Also fiscal privileges (such as tax relief) bring with them public expectations of accountability.

Accountability measures also help ensure the proper use of money given by donors on trust, fairness and responsiveness in dealing with grant applicants and recipients, and responsibility and fairness in considering the effects of the Foundation's actions on other organisations directly or indirectly.

The value of systems for governance and accountability may be seen as the basis for:

- Encouraging trust among trustees, staff, applicants and donors (where applicable)
- Ensuring effective involvement of all trustees
- Encouraging trust among regulators
- Adding to the quality of decision making

- Protecting trustees, staff, volunteers and others from harm and/or liability
- Curbing the power of paid staff
- Preventing 'provider capture'
- Spreading risks, responsibility and blame
- As a way of managing constituencies
- As a way of listening to end users

Many foundations have employed more paid staff to cope with increasing demands. On the one hand, this may be one way of improving management and accountability, but it also brings about new tensions in governance. Responsibility for policy making and the overall conduct of the organisation must remain with trustees.

Another issue to be taken into account is the growing demand for the 'end user' (or the beneficiary of a funded program) to be taken into account. Some foundations have responded to this by including 'end users' in decision making structures and processes (such as advisory committees, consultations). Others have responded by giving priority to grant applications from 'user led' organisations. If foundations require user involvement in their grant recipients, then, should they not practice what they preach?

When foundations write or talk about accountability, they are more likely to focus on the accountability of others to the foundation, rather than vice versa.

What should foundations be accountable for? Some suggestions include:

- The proper use of money
- Proper procedures
- Quality of work
- Choice of priorities, relevance and appropriateness

Who should they be accountable to? A narrow definition might include:

- Donors
- Trustees
- Staff and volunteers
- Tax authorities
- Other regulators
- Tax payers and other citizens
- Grant recipients
- End users/intended beneficiaries
- Grant applicants (actual and potential)

A broader approach might also include:

- Governments
- The media

Feature: Good Governance and Better Boards (continued)

- Other foundations
- Other funders
- Companies in which the Foundation has investments
- Companies in which the Foundation chooses not to invest
- The 'community'
- Society
- The natural environment
- Future generations

Basic principles of good governance for trustees might include:

- Selflessness (decisions taken solely in terms of the foundation's mission)
- Integrity (not being under obligation to outside individuals or organisations that might influence them in the performance of their foundation duties)
- Objectivity (choices made on merit)
- Accountability (submitting to appropriate scrutiny)
- Openness (giving reasons for decisions, restricting information only when wider public interest demands it)
- Honesty (declaring any private interests)
- Leadership (promoting and supporting these principles by example)

Adapted from the Second Report of the Committee on Standards in Public Life – 'The Nolan Committee'.

The following checklist, which looks at board selection, composition, responsibilities and roles, offers a way to examine current accountability standards of a foundation.

- Does the foundation publish a list of names and organisational affiliations of all its trustees?
- Does the foundation publish a clear statement of how the board is elected/appointed?
- Does the board regularly analyse and disclose the mix of skills, experience and other qualities required of board members?
- Does the foundation have a clear written statement of the responsibilities of the board, including: mission and strategy; succession planning; investment policy and practice; remuneration policy; internal control and management information systems?
- Do representatives of other groups or organisations on your board accept that their first responsibility to the board and that they share collective responsibility for all its decisions?
- Does the foundation set out a clear statement of the personal role of each board member, with acceptance confirmed in writing?

- Does the foundation have a clear statement of policy on trustee fees, expenses?
- Are board members' expenses regularly monitored?
- Does the foundation have a clear statement of the role of the chair?
- Does the board organise its business on a systematic basis?
- Does the board carry out a periodic review of its effectiveness and assess the strengths and weaknesses of its current composition?
- Does the foundation provide induction and on-going information and advice for board members?
- Does the foundation have a written code of conduct for trustees, staff and committee members that ensures high standards of probity and makes it clear how any conflicts of interest are to be handled?
- Does the board have clear policies and procedures for disclosing and dealing with gifts and gratuities to board and staff members?
- Do committees of the board have clear terms of reference and clear accountability to the board?
- Does the board have clear policies and procedures for board liaison and communication with staff members?

Different types of foundations will have different needs and constraints in relation to governance and accountability. Some family foundations are prohibited by the terms of their deeds from inviting non family members to act as trustees. Some corporate foundations may be required by constitution to have a certain proportion of trustees who hold directorships or other staff positions in the company. Some foundations are government created and may require government representatives to sit on the board.

Some foundations are required to be more accountable than others. The endowed family foundation has no dependency upon any external source of finance or legitimacy and may, if it chooses, carry on its work in almost complete secrecy and without reference to the expectations or demands of others. By contrast, a community foundation is heavily resource dependent, seeking donations from a wide range of funders. The requirement for accountability is much stronger.

However most foundations, whether they rely on donors or not, prefer to maintain credibility, legitimacy and good reputations.

In short, foundations differ in type, constitution, environment, activities, values and aspirations. Each foundation needs to decide on its own standards of governance and accountability in the light of its own circumstances.

In thinking about accountability and good governance as it applies to your foundation, it is worth applying a simple test: would you be willing to accept your own practices, structures and processes in those you fund?

Redefining Charity – Robert Fitzgerald Reports on the Federal Inquiry

The Inquiry into the Definition of Charities and Related Organisations was established by the Prime Minister in September 2000 and finalised its report in June 2001.

Robert Fitzgerald (NSW Community Services Commissioner) was one of the three member Committee that conducted the inquiry, and he spoke to Philanthropy Australia members in Melbourne about its findings and recommendations.

Mr Fitzgerald explained that the Committee, which received over 400 submissions, had worked to make the definition of charities more contemporary, more relevant to Australian social conditions and to the public policy debate of the 21st century.

While there were obvious tax implications arising from the committee's task and recommendations, Mr Fitzgerald pointed out that it was not the Committee's role to examine or recommend taxation policy.

The Federal Government had agreed to a two part inquiry – the first to look at definitions and the second to examine suitable tax treatment. The first part is now complete and it remains to be seen whether the second inquiry will take place.

As Mr Fitzgerald explained the need to review the definitional framework for charities arose from considerable confusion in the sector and community about what is a 'charity', what is a Public Benevolent Institution (PBI), what is a Deductible Gift Recipient (DGR) and how an organisation qualifies for any of these categories.

Charities in particular were confused about how the current approach to determining charitable status, and the labyrinth of taxation categories, applied to them.

As well as the need for greater clarity, the Committee also wanted to address the changing social environment and how this affected the way not-for-profits generally, and charities in particular, were working.

Communities were expected to take greater responsibility for developing their own solutions and building 'social capital.' Self-help, prevention and advocacy were now considered as important as the provision of direct assistance, and the relationships between the community and other sectors had altered through partnerships, contracts and a more competitive market.

One of the Committee's key recommendations was that the definition of a charitable purpose should no longer be required to fall within the 'spirit and intendment' of the Preamble to the Statute of Elizabeth (the infamous 1601 common statute that focuses on direct assistance and relief).

Instead, the Committee set out broad categories for redefining 'charitable purposes'. These are:

- The advancement of health, which without limitation includes the prevention and relief of sickness, disease or human suffering
- The advancement of education
- The advancement of social and community welfare, which without limitation includes the prevention and relief of poverty, distress or disadvantage of individuals or families; the care, support and protection of the aged and people with a disability; the care, support and protection of children and young people; the promotion of community development to enhance social and economic participation and the care and support of members of former members of the armed forces and the civil defence forces and their families
- The advancement of religion
- The advancement of culture, which without limitation includes the promotion and fostering of culture and the care, preservation and protection of Australian heritage
- The advancement of the natural environment
- Other purposes beneficial to the community, which without limitation include the promotion and protection of civil and human rights and the prevention and relief of suffering of animals

(Advancement is taken to include protection, maintenance, support, research, improvement or enhancement).

Further, the Committee examined the current definition of Public Benevolent Institution, the category that currently receives favourable taxation treatment, and found it to have significant shortcomings.

"The restriction that PBI be limited to the 'direct' provision of assistance is out of date, according neither with the needs of those that charity seeks to assist nor with the accepted best practice of how to meet those needs" Mr Fitzgerald said.

The Committee recommended that a sub group of charity, Benevolent Charity, replace Public Benevolent Institution. This category distinguishes organisations whose dominant purpose is *to benefit the disadvantaged*, from other charities whose dominant purpose is to provide benefits to the community more broadly. However, there should be no distinction on the basis of providing direct benefit to the disadvantaged or indirect benefit, making this a broader category than the current PBI.

Mr Fitzgerald emphasised that the Committee strove to ensure that its recommendations were realistic, achievable and easily able to be implemented by government.

After going to print, the Treasurer announced the Government's response to the Inquiry. This release can be found at www.treasurer.gov.au or obtained from Philanthropy Australia.

Philanthropy in Action

Students Giving Back to their Community

By John Davidson, Education Foundation

What happens when eight schoolgirls in crisp uniforms meet a roomful of young men just out of gaol? Well firstly, everyone is pretty awkward. The youths – in jeans and tracksuits – lie across the couches and laugh loudly at minor jokes. The girls stand close together, whispering nervously and gather around the ping pong table. You can feel a sort of anxious tension as one of the boys hands over the bats and starts telling the girls how to play.

But something significant is happening here, apart from the cultural mix of two different worlds and the personal development of awareness and empathy. The students from Melbourne Girls College are carrying a cheque for \$750 and are about to hand it over to Greg Bosch, Manager of the Brosnan Centre in Brunswick. On 24 July 2002, the first grant is being made by a student foundation in Australia.

In the last issue of *Australian Philanthropy* I wrote an overview of the ruMAD? Program, initiated by The Stegley Foundation and now managed by the Education Foundation, which helps students contribute to community change through 'MAD projects'.

Mentioned in that article was the Student Foundation at Melbourne Girls College, which was seeking applicants for their first round of grants. The girls set up their Foundation last year using the ruMAD? Program as a guide. They have raised nearly \$6,000 with sausage sizzles and chocolate drives, and have been given a matching grant from Ron Clarke's CEPA (Council for the Encouragement of Philanthropy in Australia). This money forms their capital from which they will be making two grants a year, in line with their core values and mission statement.

Thanks to the publicity on 'Youthgas', an email listserve, and also to the great support from Yarra City youth workers Michael Muldoon and Rod Clements, the girls received 12 applications for their first grant. Many were from inner city Melbourne but some came from rural areas and interstate. They even received an enquiry from Africa!

These applications were lodged in the comprehensive documentary form drawn up by the Foundation, which includes details of the program, target beneficiaries, intended outcomes and evaluation procedure. Each application was considered by a committee of Year 8 and Year 12 girls. The Year 12 students have been involved in the Foundation from the start, the younger girls are new to the process and so are 'learning the ropes'.



The photo shows Greg Bosch accepting the grant from Fran Gelmi, CEO of the Student Foundation, together with the student delegation and some of the young beneficiaries.

The projects were mostly small scale and community focused, asking for grants from \$600 to \$2000.

Examples included a child minding project for housing estate mothers learning to use computers, a gymnastics program for isolated rural communities and a youth internet cafe.

After assessing each applicant against the criteria listed in their Mission Statement the girls selected 'Cook'ns Cool' from the Brosnan Centre in Brunswick. They have given \$750 for the purchase of BBQ equipment which will underpin a nutrition and social skills program for young offenders recently released from detention. They also intend to contribute some 'time talent and treasure' in the form of goods-in-kind and personal visits to help the program.

The girls are continuing to add to their capital with an 'out of uniform day' and more fundraisers in the latter part of the year. They are also about to advertise for their next round of grants.

ruMAD? We Were Wrong!

In the previous edition of *Australian Philanthropy* (No 48), we reported in an article entitled 'Philanthropy in Action: ruMAD?' (page 25) that the Melbourne Girls College Student Foundation had raised \$2,500 and that Charles Lane and The Myer Foundation had agreed to match those funds. This was incorrect. The facts are that the students had at the time of reporting raised \$4,500 including a personal donation from Charles Lane. CEPA (Council for the Encouragement of Philanthropy in Australia) made the matching grant, which Ron Clarke handed over at a special assembly on 18 June. Apologies to all.

From Simple Beakers Grow Scientific Breakthroughs: The Story of the Selby Scientific Foundation

By Helen Selby

Back in 1897, if a student at Melbourne University broke any equipment in the labs, they had to find the money to pay for replacements.

In that year, a young science student named Carl de Beer borrowed five pounds from a relative to import cheaper scientific glassware from Germany. He reduced the cost of lab replacements for himself and fellow students, and made a small profit into the bargain.

After Carl's untimely death in 1899 while still a student, his younger brother Ernest and sister Aimee took over his importing enterprise. In 1903, a partner named Selby joined the business and also became Aimee's husband.

Such were the beginnings of a business that flourished for 82 years under the management of HB Selby and his two sons. The firm became a public company in 1949 and grew to be the largest supplier of laboratory apparatus and scientific instruments in Australia and New Zealand. 'Selbys' was eventually swallowed in a series of takeovers in 1982.

In 1959, in response to the exodus of many leading Australian scientists, the directors of the company set up the Selby Fellowships, administered by the Australian Academy of Science. These were awarded to promising young graduates from overseas, to bring them to Australia to work in a university or research establishment.

Seven such fellowships were granted to scientists from a range of countries including Japan, Spain and Germany. One South African recipient, now Professor RR Maud, wrote in 1994 that his year spent at the CSIRO Division of Soils in Adelaide in 1964 had a major impact on his career. He is one of the world's leading earth science authorities.

From 1977, short term Selby Fellowships were awarded to distinguished overseas scientists to undertake public lecture and seminar tours in Australia. Commencing with a visit by Nobel Laureate and University of Sydney graduate Sir John Cornforth, 25 such awards were made.

In 1980, the philanthropic activities of the company were expanded. The Selby Scientific Foundation was established to assist education, research and development in science and medicine. The company was the principal donor to the foundation, with members of the Selby family and shareholders also contributing.

The foundation makes grants to institutions, most often universities, for the promotion of scientific, technical and medical education and research. Priority is given to specialised projects which do not attract public financial support.

One grant made by the foundation over two years (1989-90) was to Melbourne University's School of Chemistry for work on the design and synthesis of infinite lattices by Doctors Richard Robson and Bernard Hoskins. The research has achieved world wide acclaim. The grant recipients wrote to the Trustees in 1992 that "the project... would quite simply have withered and died prematurely without your help."

There is a well documented need for vastly increased research at Australian universities and other centres, if this country is to retain its role at the leading edge of technology. Without support, we will fall behind world standards, and inevitably lose some of our leading scientists.

The cost of employing research staff and acquiring equipment continues to rise. The Selby Scientific Foundation is seeking additional capital to fund grants of an adequate level to meet current circumstances. Contributions, which are tax deductible, are sought from anyone interested in supporting scientific, technical and medical education and research in Australia. See contact details at the back of this journal.



Herbert and Aimee Selby on their honeymoon in December 1903.



Mr BA Selby, formerly Managing Director HB Selby Aust. Ltd, currently Chairman of Trustees of the Selby Scientific Foundation (c1978).



The late Mr EJ Selby with wife, who is the son of Mr HB Selby, former Chairman of Directors of HB Selby Scientific Foundation (c1978).

Anne and Eric Smorgon Memorial Award Honours Research Centre

The inaugural Anne and Eric Smorgon Memorial Award of \$100,000 has been awarded to the University of Melbourne's Particulate Fluids Processing Centre in recognition of its support of this year's Victoria Prize winner, Professor David Boger.

Established by the Jack and Robert Smorgon Families Foundation, the Anne and Eric Smorgon Memorial Award acknowledges the contribution made by an institution supporting Victoria Prize recipients in their research work.

The Victoria Prize and Fellowships are awarded annually by the Victorian Government and celebrate Victoria's leading and emerging scientists and engineers – for both their innovative world-class achievements and their future potential. Professor Boger received the \$50,000 Victoria Prize for his internationally renowned work in fluid mechanics.

The Particulate Fluids Processing Centre is an Australian Research Centre (ARC) and has received around \$2.8 million in ARC funding over its three years of operation.

The centre develops key science for the processing of all kinds of particulate fluids, especially those that involve fine particles suspended in fluids. The science has relevance for the agricultural, chemical, food, inkjet printing, mineral, water treatment, waste management, ceramic and pigment industries.

The head of the ARC, Professor Vicki Sara said "We are very proud of the centre and I congratulate Professor Boger, who heads a team of marvellous researchers conducting a wide range of basic and applied research from across their field. The fact that so many different industries benefit from the centre's fundamental work is especially admirable."

Chairman of the Jack and Robert Smorgon Families Foundation, Mr Jack Smorgon, said "The Foundation is proud to be supporting the ground-breaking work of Victoria's research centres and institutions, and congratulates the Particulate Fluids Processing Centre at the University of Melbourne for its support of Professor Boger."

"We hope that our establishment of the Anne and Eric Smorgon Memorial Award will encourage and foster excellence in research, development and innovation in Victoria."



From left to right: John Brumby MP, Minister for State and Regional Development; Governor of Victoria, John Landy; Mrs Lynne Landy, Professor David Boger, Professor Frank Larkins, Jack Smorgon, Chairman of the Jack and Robert Smorgon Families Foundation and Robert Smorgon.

The Jack and Robert Smorgon Families Foundation was established in 1995, with the guiding principles of making a difference, helping people in need and developing long term community solutions.

The Foundation's focus includes medical research, health issues, community welfare, homelessness and drug abuse, with particular attention to youth.

The Anne and Eric Smorgon Memorial Award is the initiative of both Jack and Robert Smorgon and their families in memory of their parents. By establishing the award, the families wish to continue Anne and Eric's philanthropic values and their desire for excellence in research and development in Victoria.

In 1927, Eric Smorgon arrived in Port Melbourne from Russia on a converted cattle ship with his brothers Moses and Abraham and their families. They had little money and limited English, but they were determined to succeed in their new homeland.

In the early 1930s, the family set up a butcher shop in Carlton. The first employee was Anne, who became Eric's wife. The Smorgon family went on to build up a vast and successful range of businesses which has enabled a program of generous benefaction.

Member File: The Foundation for Young Australians

The Foundation for Young Australians was formed in June 2000 when The Australian Youth Foundation and The Queen's Trust for Young Australians merged.

Young Australians is committed to developing innovative initiatives that support and empower the lives of young Australians aged 12 to 25.

Approximately 20 per cent of Young Australians' total grant funding is dedicated to initiatives specifically designed to benefit young Indigenous Australians.

Young Australians is also committed to ensuring that young people are key participants in the grant making process itself. Young Australians has appointed 56 young people to join its grantmaking committees in each state and territory.

Young Australians is committed to assisting grant recipients build their organisational capacity for long term sustainability and employs a full time staff member whose dedicated role is to focus on capacity building activities for funded organisations and the youth sector more broadly.

In 2001 Young Australians' priority areas were:

- Initiatives to redress disadvantage, primarily in employment, education and health
- Initiatives that encourage excellence in areas such as the arts, professions, trades, primary industry, business and youth development
- Initiatives that encourage the development of leadership potential

In 2001, Young Australians and its partners granted a total of \$3.9 million to youth initiatives and young people, which included:

Breakthrough Youth Employment Program

A partnership between Young Australians, the Sidney Myer Fund and the Percy Baxter Charitable Trust, this is a national initiative to support innovative job creation projects and training for disadvantaged young people around Australia. Enterprises include a restaurant and a horticultural training centre, boat building and repairs, skateboard deck production and sales and a graphic design studio. A four day workshop enabled project managers and young participants from around the country to share experiences about establishing and operating social enterprises.

BYTE Information Technology Program

This is the Australian component of a four year global program of Lucent Technologies that aims to promote positive child and youth development through education and learning. Young Australians is funding eight projects around the country that are working to improve the access of young people to information technology training and resources. Four of the eight projects are run by indigenous organisations.

Hand Brake Turn

A program currently operating in Dandenong, Geelong and Parramatta, which aims to reduce youth unemployment and prevent juvenile motor crime by providing training in automotive repairs, personal support and pathways to further training and/or employment for disadvantaged young people.

Mothercarers

A program to assist new mothers and their babies with both emotional and practical support, and to provide training and employment to young women living in the northern suburbs of Adelaide where unemployment and poverty rates are high.

Nine young Australians, sponsored by Young Australians and the Human Rights Council of Australia, participated in the UN World Conference Against Racism, Racial Discrimination, Xenophobia and Related Intolerance held in Durban, South Africa.

A partnership between the Commonwealth Government and Young Australians saw the awarding of \$2.3 million through the Centenary Scholarship Program to 100 young people from all over Australia.

Young Australians has also supported a number of initiatives aimed at developing leadership skills and active citizenship among young people including:

- The Youth Envoy Program as part of the Centenary of Federation celebrations
- The 'Developing Tomorrow's Leaders' Forum
- The sponsorship of a delegation to the International Youth Foundation's Asia Regional Meeting on Youth Participation

In late 2001, Young Australians undertook a Strategic Review which has helped shape a new approach for 2002-03. *Australian Philanthropy* will feature this review in a future edition.



Max and Trevor – Hand Brake Turn.

Claiming Imputation Tax Credits Refund

In late May 2002, the Australian Taxation Office sent out a personalised Application for Refund of Imputation Credits form to those endorsed charities and Deductible Gift Recipients (DGRs) that applied for and received a refund of imputation credits for the year ended 30 June 2001.

If your organisation is an endorsed charity or DGR and wishes to apply for a refund but did not receive the form, you may contact the ATO by telephone on 13 24 78.

The ATO website advises that an organisation will be entitled to apply for a refund of imputation credits if it is an endorsed Income Tax Exempt Charity or Deductible Gift Recipient and:

- It received franked dividends paid on or between 1 July 2001 and 30 June 2002, or
- It became entitled to receive trust distributions between 1 July 2001 and 30 June 2002 that included franked dividends paid on or after 1 July 2001.

PPFs Required to Lodge Information Returns with the ATO

The ATO website advises that "Prescribed Private Funds are required to provide a simple annual return to the Tax Office from the 2001-2002 income year and after. The purpose of the return is to provide the Tax Office with a summary of a fund's activities for the year including donations received, distributions made to eligible charities, expenses incurred and the net worth of the fund at year's end."

Pre-tax Donations for Payroll Giving

A recent decision from the Australian Taxation Office will give employees throughout Australia the opportunity to give to their favourite charity through their payroll, receiving an immediate tax benefit.

Assistant Commissioner of Taxation, Megan Yong gazetted the ruling on 2 July 2002 allowing a variation to the amount of withholding payment.

This means for the first time Australians can give 'pre-tax' to charities registered as Deductible Gift Recipients and receive their tax deduction up front. This avoids the need for individuals to wait until the end of the tax year and, in fact, to remember to claim their deduction.

Executive Director of CAF Australia Mr Duncan Power, was delighted about the new ruling.

"CAF Australia among others, have lobbied extensively to achieve this ruling and we are encouraged that the government has responded so positively" said Mr Power.

"The changes present a new and exciting opportunity for corporate Australia to support the community involvement of their employees."

CAF Australia is an international not-for-profit organisation and leader in payroll giving with 15 years experience in over 10 countries. CAF Australia provides programs and services to assist both the corporate and not-for-profit sectors with the development of community involvement.

Everything You Wanted to Know About Prescribed Private Funds (But Were Afraid to Ask)

By John Emerson, Partner, Freehills

Overview

A Prescribed Private Fund (PPF) is a fund established by will or trust instrument with:

- Deductible Gift Recipient (DGR) status (that is, gifts to it are deductible to the donor)
- Normally, income tax exempt status (that is, its income is exempt from income tax)
- The ability to attract a variety of other Commonwealth, State and Territory tax and duty concessions

There is no need for gifts to a PPF to be sought and received from the public and a PPF can be controlled by an individual, family or corporate group.

Legislative Provisions

1. Section 30-15 of the *Income Tax Assessment Act 1997* (ITAA 97) provides for the deductibility of certain gifts to the recipients outlined in the table in that section. One type of recipient is described in item 2 of the table as being a "...prescribed private fund, established and maintained under a will or instrument of trust solely for... the purpose of providing money, property or benefits to a fund, authority or institution gifts to which are deductible under item 1 of this table... [or for]... the establishment of such a fund, authority or institution."

Item 2 also provides that a gift will not be deductible unless the instrument of trust allows the trustee to invest money received because of a gift only in a way that a Commonwealth or State or Territory law allows trustees to invest trust money.

2. In turn, 'prescribed private fund' is simply defined in section 995-1 of ITAA 97 as being a fund prescribed by the regulations for the purposes of the definition.
3. Accordingly, subject to the limitations in paragraph 1 above, as the Government makes regulations (subject to a right of either House of Parliament to disallow a regulation¹), the Government has a broad discretion to implement its own policy with regard to the attributes of prescribed private funds.

History of PPFs

4. In 1963, the *Income Tax Assessment Act 1936* (ITAA 36) was amended to permit deductibility for certain gifts to what was described as 'public funds'. These funds have the same statutory characteristics as those outlined in paragraph 1 above except for the requirement they be 'public funds'.²
5. In a 1978 decision of the High Court of Australia, *Bray v FCT*,³ the High Court commented upon the scope of the legislative provisions in relation to public funds. While the judges had a variety of views

as to certain of their attributes, three of the five judges indicated that a public fund must be open to receive gifts from the public. They noted also that it was useful evidence that a fund is a public fund if the public in fact makes gifts to the fund.

6. Taxation Ruling TR 95/27⁴ states that a public fund will have the following characteristics with regard to the public requirement:

- It must be the intention of the founder that the public will contribute to the fund
- The public must in fact contribute
- The public must participate in the administration of the fund so that a majority of those controlling the fund must be persons with responsibility to the community⁵

The Ruling also notes the statutory requirement outlined in paragraph 1 above, namely, that the will or instrument of trust must allow the trustee to invest money that the fund receives because of gifts to it, only in a way that a law of the Commonwealth, a State or a Territory allows trustees to invest trust money.

7. The requirements that gifts be sought and received from the public and those with regard to the control of public funds were considered by the Government to be a disincentive to philanthropic giving.
8. The proposal to amend the legislation to allow PPFs was announced by the Government in March 1999. The first Government guidelines and model deed were released in April 2001 and the first PPFs approved by the Government in June 2001. Revised guidelines and a revised model deed were released on 11 April 2002.⁶ As at 30 June 2002, 81 PPFs had been approved by the Government.

Purpose of PPFs

9. The sole purpose of a PPF, as with a public fund as described above, must be to provide money, property or benefits to funds, authorities or institutions, gifts to which are deductible under item 1 of the table in section 30-15. Item 1 refers to recipients covered by any of the tables in Subdivision 30-B.
10. The trust instrument can permit grants to be made to all Subdivision 30-B recipients or, if desired, the instrument can name specific DGRs or specific types or DGRs.
11. It is important to note that the trust instrument must permit grants to be made only to funds, authorities or institutions which are either named in Subdivision 30-B or which are described in Subdivision 30-B and endorsed under Subdivision 30-BA.⁷ The model deed contains wording acceptable to the ATO with regard to this requirement.

Everything You Wanted to Know About Prescribed Private Funds (But Were Afraid to Ask) (continued)

Examples of Extrinsic Purposes

12. *In Bray's case*, the taxpayer established a trust and transferred to it by way of gift all but one of the shares in a private company. The taxpayer had purchased the shares shortly before making the gift. The taxpayer claimed the value of the shares as a deduction on the basis that they were a gift by him to a public fund established for the sole purpose of benefiting the organisations of the type described in paragraph 1 above.

The company had significant cash funds and subscribed for preference shares in another company controlled by the taxpayer. A significant part of the funds were ultimately lent interest free to the taxpayer.

As mentioned above, the High Court had concerns with a number of issues in connection with the deduction claim. While the issue of whether or not it was a public fund was the primary focus of the Court, one judge, Jacobs J, also believed that the fund was not maintained for the sole purpose of benefiting deductible gift recipients. In his view, the facts evidenced that one of the purposes of the taxpayer was to obtain control of the private company and therefore have access to its funds.⁸

Jacobs J provided an example of another type of extrinsic purpose. If a trust employed a manager whose salary absorbed the income of the trust, he felt it would be open to conclude that the trust was not being maintained exclusively for the purpose of providing benefits to its beneficial objects.⁹

13. Extrinsic purposes would also exist if a PPF was established to, say, collect and make available to the public, artefacts, or if a PPF itself wished to award scholarships to university students or to carry out scientific research.
14. While there does not appear to be a difficulty in PPFs making grants to DGRs on condition they are used by the recipient for a particular program or purpose, the PPF must not itself carry on that program or purpose. It is, of course, quite appropriate for a PPF to carry on activities for the purposes of assessing appropriate DGRs to receive grants and these activities may well involve an ongoing relationship with DGRs. However, this investigation and relationship must be directly related to the grant making purposes of a PPF, not to enable it to carry out its own programs etc.

Excluded DGRs

15. DGRs referred to in item 1 of the table in section 30-15, that is, Subdivision 30-B DGRs, do not include public funds of the type referred to in paragraph 4 above, other PPFs, political parties, or Artbank.
16. Further, it is normally a provision in instruments establishing PPFs (as in the model deed), that the

DGR recipients of grants be charitable. This is not a compulsory requirement for a fund to be prescribed as a PPF but if grants can be made to recipients who are not charitable, the PPF will not be entitled to be endorsed as an Income Tax Exempt Charity and accordingly, not be exempt from tax on its income. Further, the PPF will be ineligible for other Commonwealth, State and Territory tax and duty concessions. For example, the PPF will not have an entitlement to cash refunds of franking credits attached to dividends received by it.

Responsible Person

17. The trustee of the PPF must be:

- A Responsible Person
- Two persons, at least one of whom is a Responsible Person; or
- A body corporate whose board includes at least one Responsible Person.

It is not necessary for the Responsible Person to control the trustee.

18. A definition of 'Responsible Person' which I understand is acceptable to the ATO is as follows:

"Responsible Person means an individual who:

- (a) Performs a significant public function
- (b) Is a member of a professional body having a code of ethics or rules of conduct
- (c) Is officially charged with spiritual functions by a religious institution
- (d) Is a director of a company whose shares are listed on the Australian Stock Exchange
- (e) Has received formal recognition from government for services to the community; or
- (f) Is approved as a Responsible Person by the Commissioner, and

who, unless the Commissioner otherwise agrees, is not:

- (g) The Founder, the Trustee or a Donor
- (h) An employee of the Founder, the Trustee or a Donor
- (i) An Associate of the Founder, the Trustee or of a Donor or of the directors or members of the board or other controlling committee of the Trustee other than:
 - (1) In a professional capacity
 - (2) As a member of the board or other controlling committee of the Trustee; or
 - (3) As a member of the Trustee"

The above definition is not identical to that used in the model deed but words commencing with an uppercase letter have the meanings as defined in the model deed.

19. In turn, 'Associate' is defined as having the meaning outlined in section 78A of ITAA 36 as if the reference to the 'donor' in that section were a reference to the person who in the trust deed is referred to in relation to the Associate.

Section 78A defines 'Associate' widely.

Uncommercial Transactions

20. The guidelines require that the trust instrument must prohibit the provision of a direct or indirect benefit from the trust to the founder, the trustee, a donor or their associates by way of an Uncommercial Transaction. In broad terms, this prevents the provision of a financial or other benefit on terms which would not be reasonable in the circumstances if a benefit were provided on an arm's length basis and which a reasonable person in the position of the trustee would not have entered into having regard to all relevant circumstances.
21. This requirement is similar to the concepts used in the *Corporations Act* with regard to Uncommercial Transactions¹⁰ and the exceptions to the requirement for member approval for a transaction with a related party where a transaction is on arm's length terms.¹¹

Gift Fund

22. The guidelines require PPFs to maintain a gift fund.¹² The requirements for this fund are outlined in clause 6 of the model deed. In short, they require the trust to quarantine gifts and money received because of gifts from other receipts and assets of the trust. In practical terms, it is unlikely that a PPF will receive any other money or property.
23. Taxation Ruling TR 2000/12¹³ outlines the views of the Australian Taxation Office (ATO) on the operation of gift funds. It is unlikely that a PPF will need to operate more than one bank account having regard to the points made in the preceding paragraph.

Investments by PPFs

24. As mentioned in paragraph 1 above, PPFs may invest money that they receive because of a gift only in a way that a law of the Commonwealth, a State or Territory allows trustees to invest trust money.
25. In turn, the State and Territory *Trustee Acts* and *Trusts Acts* require trustees to exercise a power of investment with, at a minimum, the care, diligence and skill that a prudent person would exercise in

managing the affairs of other persons.¹⁴ A higher level of prudence is required where a trustee's profession, business or employment is or includes acting as a trustee or investing money on behalf of other persons. At least once in every year, a trustee must review the performance (individually and as a whole) of trust investments.

In making an investment, a trustee must have regard to a number of matters including the desirability of diversifying trust investments.¹⁵ It seems that this requirement would often prevent a PPF investing in a single investment such as shares in a particular company or a single income producing building. Similarly, where a single asset is given to a PPF, this requirement would often prevent it retaining that asset for an inappropriate period. It is suggested that specific financial advice be obtained in relation to this requirement where a single or limited holding is proposed.

Accumulation of Capital

26. The guidelines outline the Government policy with regard to accumulation of gifts by PPFs.¹⁶
27. While the guidelines state that the initial settled sum can be retained indefinitely, this is unlikely to be of much practical benefit as the initial settled sums are normally of a nominal amount – they are not deductible to the donor as at the time the trust is established, the PPF is not approved as a DGR.
28. All other accumulations of gifts, Government grants and any other voluntary transfers of property must be approved by the ATO. The ATO recognises the desirability of establishing a significant capital base and attachment C to the guidelines outlines four types of accumulation plans which have been approved by the ATO.
29. Example 3 permits the accumulation of gifts to a \$40 million capital base.
30. Where ongoing gifts are proposed, the ATO requires there to be some distribution of each gift that is made, normally in the year following the date of the gift. The normal requirement is a minimum of five per cent or 10 per cent of the amount of the gift on a one-off basis.

For example, if a donor proposes to give, say, \$100,000 to a PPF in the year the PPF is established, not less than \$5,000 must be distributed by the PPF by way of grant to DGRs on a one-off basis in the following year. The balance of \$95,000 can be retained indefinitely by the PPF.

Accumulation of Income

31. Generally, the income derived by a PPF in a particular year may be accumulated only to the extent

Everything You Wanted to Know About Prescribed Private Funds (But Were Afraid to Ask) (continued)

necessary to maintain the real value of the capital of the PPF at the end of the previous year. The balance must be distributed.

Administrative Processes

32. The approval of a PPF is made by the Minister for Revenue and Assistant-Treasurer, not the ATO. However, the ATO is the appropriate recipient of applications for approval and after assessing them, recommends approval to the Minister. They should normally be lodged with the Penrith office of the ATO.¹⁷
33. After the ATO receives notice from the Minister that a PPF has been approved, the ATO advises the applicant of that approval and, normally, advises that subject to the regulations being made and becoming effective in accordance with the requirements of the *Acts Interpretation Act 1901*,¹⁸ gifts to the PPF from the date of approval will be deductible. The making of regulations and their gazettal has, to date, occurred some months after the date of approval but in each case, was effective from the approval date.
34. The ATO recommends that if there are aspects of a proposed PPF which do not comply with the requirements of the guidelines or where a gift accumulation plan is desired which does not reasonably fall within one of the examples in the guidelines, a preliminary inquiry be made of the ATO to ascertain its in principle view of the particular issue.
35. Paragraph 27 of the guidelines provides that in sufficiently exceptional circumstances, the Government may consider prescription of funds that do not strictly meet the normal integrity assurance requirements. It must be appreciated, however, that the Government is not authorised to approve PPFs which do not meet the statutory requirements (see paragraph 1 above). In these circumstances, the ATO would not submit the application for the Government's consideration.
36. After receiving in principle approval to a particular issue or, where the PPF application is in a standard form, it is necessary to establish the trust structure before making the formal PPF application to the ATO.

This means that there must be a trustee¹⁹ established or identified and the trust deed executed. The founder must pay the, normally, nominal settled sum.
37. The Responsible Person requirements outlined in paragraph 17 to 19 above must of course also be met.
38. A short CV of the Responsible Person and of the founder or major prospective donors should be obtained.
39. Attachment A to the guidelines contains a form of application for approval. This application should be forwarded to the ATO together with:

- A copy of the constitution of the company acting as trustee (if applicable)
 - A copy of the executed trust deed
 - Details of the directors and members of the trustee company (an ASIC Form 201 is appropriate if it is a new company)
 - CV of Responsible Person
 - CVs of founder and major donor or donors including any areas of personal charitable interest
 - Details of any proposed grants policy
 - Details of any proposed gift accumulation plan
40. An Application to Register for The New Tax System in respect of the trust²⁰ should also be lodged with the ATO in Hobart so as to obtain an ABN for the trust and to request the ATO to forward an Application for Income Tax Exempt Charity (ITEC) endorsement of the trust.
 41. A letter accompanying the documents should seek approval for any gift accumulation plan desired and, subject to the PPF applying to be endorsed as an income tax exempt charity and being applied for the purposes for which it is established (see section 50-1, item 1.5B) and satisfying the condition outlined in section 50-60(d), seeking in principle approval that the PPF will be entitled to endorsed as an ITEC with effect from the date of its establishment.
 42. As mentioned above, the ABN application form contains a request for the ATO to forward an Application for ITEC endorsement. This is a pre-printed form which should be completed²¹ and lodged with the ATO to receive formal endorsement. Normally, the letter advising approval of the PPF by the Government as a DGR will also advise of the entitlement of the PPF to be endorsed as an ITEC.
 43. It should be noted that the ITEC endorsement date and the PPF approval date are not the same. While, normally, ITEC endorsement will have effect from the date of establishment of the trust, PPF approval and consequently DGR status will not be granted before the date of Government approval.

When are PPFs useful?

44. It is suggested that before establishing a PPF, consideration be given to other options. These include:
 - Making direct gifts to the DGRs you are interested in supporting
 - Making direct gifts to public funds of the type mentioned in paragraph 4 above
 - Establishing a private charitable trust, where gift deductibility is not needed

45. Arguably, the making of direct gifts to the DGRs you wish to support is of as much benefit as establishing your own PPF – the issue probably depends upon whether one takes a short or long term view of philanthropic giving. For example, is it more advantageous for a social welfare agency to receive, say, a gift of \$100,000 now, or for the \$100,000 to be given to a PPF so that it can, hopefully efficiently and profitably, invest the \$100,000 for the future benefit of the particular social welfare agency?

46. There are a number of public funds in existence which receive gifts from the public and take into account the wishes of donors when making grants to DGRs. While these public funds have administrative costs which must be met before grants are made to DGRs, there is no direct charge to donors making gifts to them and my understanding is that in practical terms, it is unlikely that the wishes of a donor with regard to making appropriate grants would be disregarded.

47. It is possible for a single donor to establish and maintain a private charitable trust. These trusts are not subject to the restrictions contained in the PPF guidelines with regard to, say, the appointment of a Responsible Person and an auditor. Subject to complying with the conditions outlined in section 50-60 of ITAA 97, they are entitled to be endorsed as ITECs and in consequence, their income is exempt from tax. They are also entitled to the other Commonwealth and State and Territory tax concessions attributable to charities. They are, however, not DGRs and cannot receive tax deductible gifts.

48. This having been said, a PPF can well be the appropriate structure where it is desired to establish a perpetual trust controlled by a family or corporate group with DGR (and ITEC) status to:

- Accumulate gifts so as to create a capital base enabling, hopefully, the making of more effective grants to DGRs than simply making annual gifts
- Permit deductible gifts to be made in one year and to have time to consider what DGRs should receive grants from the PPF in later years
- Make conditional grants to DGRs (there is an issue as to the extent to which conditions can be attached to gifts from individuals or corporates to DGRs)
- Perpetuate a family or other name
- Create an entity to receive testamentary gifts of property valued by the ATO at more than \$5,000 exempt from capital gains tax²²

49. Other considerations that should be taken into account before establishing a PPF are the costs and effort of administering the trustee company and the trust. These include bookkeeping, accounting and audit costs and the costs of lodging a short annual

return with the ATO. In addition, there can be costs associated with obtaining investment advice and in paying commission to a professional trustee company if one acts as trustee of the PPF.

50. Regard should also be had to the duties and liabilities of directors of a company acting as trustee of a PPF or attaching directly to individuals acting as trustees. Directors' and officers' insurance cover can well be appropriate where a company is involved. Finally, it should be recognised that a PPF and those controlling it have direct accountability to the ATO and to the Attorneys-General of the States and Territories.

- 1 Section 48(4) of the Acts Interpretation Act 1901.
- 2 In this respect, item 2 requires that the recipient be "[a] public fund ... established and maintained under a will or instrument of trust solely for... the purpose of providing money, property or benefits to a fund, authority or institution gifts to which are deductible under item 1 of this table... [or for]... the establishment of such a fund, authority or institution."
- 3 78 ATC 4179, (1978) 140 CLR 560, (1978) 8 ATR 569, (1978) 52 ALJR 484, (1978) 19 ALR 309.
- 4 <http://law.at0.gov.au/pdf/tr95-27.pdf>.
- 5 See paragraph 6 of the ruling.
- 6 See paragraph Error! Reference source not found. below.
- 7 Subdivision 30-BA provides for the endorsement by the Australian Taxation Office of DGRs who are not named specifically in the table in section 30-15. DGRs must be named or endorsed as a DGR to qualify to receive grants from PPFs (or for that matter, to qualify to receive deductible gifts).
- 8 ATC at 4189.
- 9 ATC at 4188.
- 10 Section 588FB Corporations Act.
- 11 Section 210 Corporations Act.
- 12 Paragraph 15.
- 13 <http://law.at0.gov.au/pdf/tr00-012.pdf>.
- 14 Trustee Act 1925 (NSW) sec 14A(2)(b) (ACT) and (NSW), The Trustee Act sec 6(1)(b) (NT), Trusts Act 1973 sec 22(1)(b) (QLD), Trustee Act 1958 sec 6(1)(b) (VIC), Trustees Act 1962 sec 18(1)(b) (WA), Trustee Act 1898 sec 7(1)(b).(SA), Trustee Act 1898 (TAS) sec 7(1)(b).
- 15 Trustee Act 1925 (NSW) sec 14C(1) (ACT) and (NSW), Trusts Act 1973 sec 24(1) (QLD), Trustee Act 1936 sec 9(1) (SA), Trustee Act 1898 sec 8(1) (TAS), The Trustee Act sec 8(1) (NT), Trustee Act 1958 sec 8(1) (VIC), Trustees Act 1962 sec 20(1) (WA).
- 16 Paragraphs 25-27.
- 17 Australian Taxation Office, Small Business, PO Box 1130, Penrith, NSW, 2740.
- 18 Section 48.
- 19 We normally recommend a company limited by guarantee act as the trustee but there is no reason in principle why a proprietary limited company or individuals can not act.
- 20 The trust itself, not the trustee company or individuals acting as trustees. Two versions of the form of Application to Register for the New Tax System are available. In the old version, Box 1 should be marked 'Other trust', Box 4 completed with the name of the trust, not the trustee, Boxes 9 and 10 'Yes', Box 11 'No' and the name or names of the trustee company or individuals acting as trustee inserted in Attachment A to the Application and the Position held Box 'Trustee' marked. In the new version, Box 1 should be marked 'Other incorporated entity', Box 2 completed with the name of the trust, not the trustee, Boxes 24 and 25 'Yes' and in Box 26, the Box 'Income Tax Exempt Charity' marked. as with the old form, in Attachment A the names of the trustee company or individuals acting as trustee should be inserted and the Position held Box 'Trustee' marked.
- 21 When completing the Application form, Box 4 should be completed with the code ABF in relation to the description of the trust.
- 22 It should be noted that while technically a PPF can be established under a will, a testamentary gift to a PPF so established would normally not be exempt from capital gains tax as the PPF would not have been approved by the Government as a PPF at the date the will became effective, namely, the date of death. While it might be possible to establish a PPF under a will and for there to be a deferral of a testamentary gift to the PPF until after the approval, it seems more prudent that the PPF be established by a trust instrument, and the PPF approval be obtained, before the date of death so that there is certainty as to the tax outcome.

Resource Centre Briefing

Philanthropy Australia's Resource Centre contains Australia's most extensive collection of books, articles and journals on philanthropy and related topics, including subscriptions to Foundation News and Commentary, The Chronicle of Philanthropy, Voluntas and Third Sector Review.

Philanthropy Australia members and Resource Centre subscribers have browsing and borrowing rights to the Resource Centre collection; non-members should call Philanthropy Australia and speak to Louise Arkles or Vanessa Meachen to arrange a day pass to access the collection, which is available at a cost of \$15 per day. If you would like to visit the Resource Centre, please call ahead on (03) 9620 0200 to ensure that someone will be available to assist you to locate the resources you require.

This issue our Resource Centre Briefing focuses on board-related resources.

Six Keys to Recruiting, Orienting and Involving Nonprofit Board Members

Judith Grummon Nelson

Published by the National Center for Nonprofit Boards (now Boardsource), this guide is specifically focused on ways to identify and approach potential board members based on the existing board's composition and the skills and characteristics needed for effective board management. It also offers a number of tools and suggestions for orienting, welcoming and involving new board members.

Boards That Make a Difference

John Carver

This publication presents a new approach to board job design, board-staff relationships, performance monitoring and other aspects of the board-management relationship. The publication offers a board model designed to produce policies, missions and standards which are ethical, clearly articulated and prudent.

Governing Boards

A project of the National Centre for Nonprofit Boards (now BoardSource) in the US, this book covers organisation, procedures, leadership, accountability and more, demonstrating how to handle a full range of challenges and problems facing board members.

Foundation Trusteeship

John W Nason

Published by the Council on Foundations, this work sets out to provide insight into many areas of interest to foundation board members.

Cultivating the Next Generation

Foundation News and Commentary, July/August 2001, Vol.42, No.4

Ideas for preparing young family members for service on a foundation board.

Getting Re-energised

Foundation News and Commentary, March/April 2002, Vol.43, No.2

Ideas for invigorating board members and fostering an environment of curiosity and continuous learning among boards.

Elements of a Healthy Board-CEO Relationship

Foundation News and Commentary, January/February 2002, Vol.43, No.1

Maintaining a healthy board-CEO relationship should include establishing and maintaining trust.

Knock, Knock – It's the Foundation Board Calling

Foundation News and Commentary, July/August 2002, Vol.43, No.4

Combining site visits with regular board meetings is a strategy which has worked well for one US corporate foundation to inspire its trustees.

The Decision Making Board

Foundation News and Commentary, May/June 2001, Vol.42, No.3

Keeping a foundation board focused on the big picture and allowing it to spend its valuable time making strategic decisions instead of worrying about operations is essential to building a board that truly governs.

Corporate Foundation Boards and Evaluation

Foundation News and Commentary, January/February 2001, Vol.42, No.1

Practices to assess the board and individual board members hold great promise for improving a corporate foundation's work.

New Publications

A selection of key new resources available for loan to Resource Centre subscribers and Philanthropy Australia members.

The New Rulers of the World

John Pilger

Intended to illuminate the nature of modern imperialism, this book reflects on such issues as the September 11 attacks on the USA, the bombing of Afghanistan, Australia's treatment of its indigenous population and the West's embargo on Iraq.

Building Philanthropic and Social Capital: The Work of Community Foundations

Peter Walkenhorst (ed)

This publication places the work and development of community foundations in an international perspective, including essays on the history of the community foundation movement, the role of community foundations in fostering social capital, and on aspects of the daily work of community foundations in asset building, donor services and marketing.

Investing in Ourselves: Giving and Fund Raising in Asia

Asia Pacific Philanthropy Consortium

Describes fundraising principles and practices in seven Asian countries; Bangladesh, India, Indonesia, Nepal, Pakistan, the Philippines and Thailand.

Building a Stronger Social Coalition (Summary Report)

Commissioned by the Steering Group on Incentives for Private Conservation, this report summarises a discussion paper identifying practical policy initiatives that would encourage a stronger civic culture in Australia, address barriers to socially and environmentally valuable activities and provide community organisations with new tools and pathways for them to achieve their objectives.



Conferences: Australian

Philanthropy Australia Conference

Philanthropy: Venture Capital for the Common Good
When: 17-19 March 2003
Where: Sydney, Australia
Further Information: Philanthropy Australia,
Level 10, 530 Collins St, Melbourne
Phone: (03) 9620 0200
Fax: (03) 9620 0199
Website: <http://www.philanthropy.org.au/whatson/conference.htm>
Email: pa@philanthropy.org.au

NSW Dept of State Regional Development Community Economic Development Conference 2002

When: 8-10 September 2002
Where: Orange, Cabonne, and Blayney NSW
General Enquiries: Julia Atkinson or Jane Howorth,
Community Economic Development Conference
Secretariat
Phone: (02) 6650 9800
Email: info@eastcoastconferences.com.au
Website: <http://www.regionalcommunities.nsw.gov.au/>

Ethical Investment Association

Third Annual Conference

When: 19-21 September 2002
Where: Australian Technology Park, Sydney
General Enquiries: Simeon Michaels
Phone: (02) 9290 9304
Email: simeon@resnik.com.au
Website: www.eia.org.au

Volunteering Victoria

4th Biennial State Conference

When: 22-25 September 2002
Where: The University of Melbourne
General Enquiries: Bronwyn Hewitt, Conference
Management, The University of Melbourne,
Old Physics Building, Victoria 3010
Phone: (03) 8344 6389
Fax: (03) 8344 6122
Email: bhewitt@unimelb.edu.au
Website: <http://www.conferences.unimelb.edu.au/volvic/>

Youth Off the Streets 2nd Annual Youth Conference

Building Resilience: Alternative approaches to working
with youth
When: 20-22 November, 2002
Where: Bankstown District Sports Club, 8 Greenfield
Parade, Bankstown NSW
Phone: (02) 8220 2489
Fax: (02) 8220 2416
Email: info@youthoffthestreets.com.au
Website: <http://www.youthoffthestreets.com.au/>

Local Government Community Services Association of Western Australia

Community Development Conference

When: December 4-6, 2002
Where: Rendezvous Observation City Hotel,
Scarborough Beach, WA
Enquiries: CDC Secretariat Office, EventEdge
International Management Group Pty Ltd
Phone: (08) 9387 1488
Email: info@eventedge.com.au
Website: www.lgcsawa.asn.au

Conferences: International

Philanthropy New Zealand Biennial Conference Communication and Philanthropy

When: October 21-22, 2002
Where: Wellington, NZ
Enquiries: Philanthropy New Zealand, PO Box 1521,
Wellington, New Zealand
Phone: 0011 64 4 499 4090
Fax: 0015 64 4 472 5367
Email: info@philanthropy.org.nz
Website: <http://www.philanthropy.org.nz>

Council on Foundations

17th Annual Family Foundations Conference

When: February 24-26, 2003
Where: San Jose, CA, USA
Enquiries: Council on Foundations, 1828 L Street, NW.,
Washington 20036-5168
Phone: 0011 1 202 466 6512
Fax: 0015 1 202 785 3926
Email: confinfo@cof.org
Website: <http://www.cof.org/conferences/index.htm>

Finding Out More

News and Views

Third Sector Round Table

For more information on the Australia's third sector, visit our website, www.philanthropy.org.au, and click on advocacy, to read a copy of Professor Lyons' paper.

For more information about the Round Table, contact Elizabeth Cham, Philanthropy Australia.

Philanthropy Australia Membership Services Officer – NSW, Jane Kenny can be contacted through the National Office on (03) 9620 0200 or toll free on 1800 334 165.

Steven Burkeman – Joseph Rowntree Charitable Trust website is www.jrct.org.uk The UK Community Fund website is www.community.fund.org.uk

Affinity Groups in Action

Grantmakers interested in joining any of the affinity groups should contact Grant Hooper at Philanthropy Australia by telephoning (03) 9612 9030 or sending an email to g.hooper@philanthropy.org.au

Community Foundation News

Andrew Lawson can be contacted on (03) 5222 3775 or through Philanthropy Australia.

Bass Coast Community Foundation

PO Box 180
Wonthaggi Vic 3995
Chairman: Hon. Alan Brown
Email: brownbwp@bigpond.com

Further information about community foundations in Australia can be found at the Community Foundation Gateway link on the Philanthropy Australia website: www.philanthropy.org.au

Wingecarribee Community Foundation

PO Box 853 Bowral, NSW 2576
Phone: 4862 1466
Fax: 4862 1477
Email: wcf@hinet.net.au
Website: www.hinet.net.au/~wcf

Good Governance and Better Boards

Information about general governance issues, particularly the interface between the public, private and community sectors, can be found through the National Institute of Governance, University of Canberra ACT 2601 or <http://governance.canberra.edu.au/>

The Centre of Philanthropy and Non Profit Studies in the Faculty of Business at Queensland University of Technology has also looked at governance issues in the not-for-profit sector.

Address: GPO Box 2434, Brisbane 4001

Working on Governance and Accountability: A manual for philanthropic foundations by Dr Diana Leat will be launched by Philanthropy Australia and Deakin University later in the year. It contains an extensive reading and reference list, so stay tuned!

Member Profile: Foundation for Young Australians

12th Floor, 600 Bourke Street
Melbourne VIC 3001
Phone: (03) 9670 5436
Fax: (03) 9609 3246
Email: fya@youngaustralians.org
Website: www.youngaustralians.org

A copy of the FYA's annual report 2001 is held by the Philanthropy Australia Resource Centre

Students Giving Back to their Community

For more information on the Melbourne Girls College Student Foundation, contact Acting Assistant Principal Nia Holdenson by email at nholdens@mgc.vic.edu.au

For more info on ruMAD see the website at www.rumad.org.au or phone (03) 9650 4277.

Selby Scientific Foundation

C/- Haines Norton (Vic) Pty Ltd
GPO Box 1735P
Melbourne Victoria 3001
Phone: (03) 9629 4700
Facs: (03) 9629 4722
Email: hnmelb@hainesnorton.com.au

Anne and Eric Smorgon Memorial Award

Contact Stefanie Colella at Style Counsel on (03) 9529 4000.

Redefining Charity

A copy of the report of the Inquiry into the Definition of Charities and Related Organisations can be obtained from the Australian Government Publishing Service or downloaded from <http://www.cdi.gov.au/>

To read Treasurer Peter Costello's response, go to www.treasurer.gov.au or to Philanthropy Australia's website.

Taxation News

Information on imputation tax credits refund can be found on the ATO web site at:

www.ato.gov.au/content.asp?doc=/content/notforprofit/22189.htm

PPF's Information Return form can be downloaded from:

www.ato.gov.au/content.asp?doc=/content/forms/23526.htm

CAF Australian
Duncan Power, Executive Director
Email: dpower@cafaustralia.org
www.cafaustalia.org
Phone: 1300 653 567

Prescribed Private Funds

The guidelines and model deed released on 11 April 2002 can be found at:

<http://www.ato.gov.au/content.asp?doc=/content/notforprofit/20926.htm>

More general information can be found at:

www.ato.gov.au/content.asp?doc=/content/notforprofit/8724.htm&bn=AS/NP/GD/GD05/A

This site provides a search facility for tax legislation:

<http://law.ato.gov.au/atolaw/findleg.htm>

Freehills website is: www.freehills.com.au

Philanthropy Australia – Members

New Members

Philanthropy Australia would like to warmly welcome the following new members:

Full Members

Alfred Thomas Bellord Charitable Trust
B B Hutchings Bequest
Bill & Jean Henson Trust
Carleton Family Trust
Charitable Trust Fund
The Charles Bateman Charitable Trust
Diana Elizabeth Browne Trust
E B Myer Charitable Trust
Enid Irwin Charitable Trust
Ernest Lonsdale Brown Trust
Ethel Herman Charitable Trust
Harold Edward Corbould Charitable Trust
The Helen Lempriere Bequest
James Simpson Love Charitable Trust
J C Pascoe Charitable Trust
John William Fleming Charitable Trust
Kingston Sedgfield (Australia) Charitable
Lawrence George & Jean Elsie Brown
Ledger Charitable Trust
Margaret Augusta Farrell Charitable Trust
Norman H Johns Charitable Trust
NRMA Foundation
Patrick Brennan Trust
Paul Edward Dehnert Charitable Trust
PricewaterhouseCoopers
Ronald Geoffrey Arnott Foundation
Rothwell Wildlife Preservation Trust
The Stan Willis Trust
Tibelan & Hindu Dhama Trust
William Paxton Charitable Fund

Associate Members

Austin & Repatriation Medical Centre
Bluearth Institute
The Leukaemia Foundation of Queensland
Monash Institute of Reproduction & Development

Affiliate Members

Asia Pacific Centre for Philanthropy and Social Investment

Council

President: Lady Southey AM (The Myer Foundation)
Vice President: Ms Dur-e Dara OAM (Victorian Women's Trust)
Hon. Treasurer: Prof Tom Healy (The Ian Potter Foundation)
National Director: Ms Elizabeth Cham (Philanthropy Australia)
Council Member: Mr Ian B Allen OAM (The Pratt Foundation)
Council Member: Mr Ben Bodna AM (The Jack Brockhoff Foundation)
Council Member: Mr Barry Capp (The William Buckland Foundation)
Council Member: Ms Jan Cochrane-Harry (Perpetual Trustees Australia)
Council Member: Mr Peter McMullin (Melbourne Community Foundation)
Council Member: Mr Royce Pepin AM (Lord Mayor's Charitable Trust)

Leading Members



**THE JACK
BROCKHOFF
FOUNDATION**



THOMAS FOUNDATION



Life Members

Patricia Feilman AM
The Stegley Foundation
Ben Bodna AM

*A full list of all members can be accessed on the Philanthropy Australia website www.philanthropy.org.au/mship/14-memberslist.htm
The complete Members list will be published in the next edition.*

The Australian Directory of Philanthropy

Order your new and improved copy now!

The 11th edition of Australia's primary tool in the search for philanthropic funding – *The Australian Directory of Philanthropy* – is now available.

This latest edition features:

- Over 370 trusts and foundations
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- Valuable tips for submission writers

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- A key word search feature
- Links to further sources of information

Both versions of the Directory offer grantseekers information to gain access to potential funders. The specific requirements of each trust and foundation are clearly indicated to allow organisations to optimally target their submissions.

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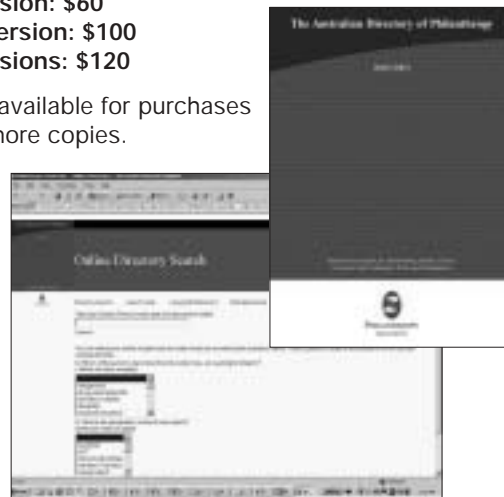
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Email pa@philanthropy.org.au Website www.philanthropy.org.au



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Patron

Sir Gustav Nossal AC CBE