

Australian Philanthropy

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*nothing ventured
nothing gained*

VENTURE PHILANTHROPY FOR THE COMMON GOOD

Conference 2003



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



PHILANTHROPY
Australia

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From the President



This brief overview of 2002 activities was presented to the most recent Annual General Meeting. I am pleased to share it with *Australian Philanthropy* readers.

At an historic meeting in Sydney on 31 October 2002 the National Roundtable of Non-profit Organisations was officially launched. Representatives of 13 peak bodies attended the meeting, which was led by the Chair, Mr Robert Fitzgerald AM, the NSW Commissioner for Community Services.

The primary focus of the new organisation will be to present the non-profit sector to government and the broader community. It will have a key role in building recognition and reputation of the sector, especially as it relates to legitimacy, accountability, transparency and resourcing. I am delighted that Philanthropy Australia has played a key role in facilitating the development of this organisation, and is one of the peak bodies represented. Organisations with similar charters exist in the US, Canada and the UK, to name just a few, and play an important role in promoting and protecting the interests of the non-profit sector and in representing it to government, the private sector, the community and the media. Philanthropy is closely connected with the non-profit sector and one of its primary objectives is to support the capacity of the non-profit sector.

For some years now Philanthropy Australia has made a particular commitment to supporting the growth of community foundations. Our efforts have been motivated by the recognition that internationally they are the fastest growing form of philanthropic organisation – and the promotion of philanthropy is one of our key objectives.

Community foundations continue to expand throughout Australia. There are now some 24 foundations, which have either been established, have applied for DGR status, or are incorporating. At least three more communities have commissioned initial feasibility studies or are debating the possibility of doing so. To date, nine have received initial funding from Philanthropy Australia. A further 21 have received initial or operational funding from the Foundation for Rural and Regional Renewal, which has made an immense contribution to the development of this new and exciting form of philanthropy and with which we work closely.

In 2002 Philanthropy Australia initiated moves to establish the Canberra and Regional Community Foundation. With the support of the Charities Aid Foundation and the NSW Premier's Department we are establishing the Sydney Community Foundation. The feasibility study for Sydney was commissioned in late 2002 – a very comprehensive report has now been received, which involved consultation with more than 60 individuals and organisations from the public, private and non-profit sectors in Sydney.

Philanthropy Australia is also initiating new community foundations in two urban centres, with the support of money granted for this purpose by the Department of Family and Community Services. We look forward to bringing you more news about these exciting developments in 2004.

In association with the Foundation for Rural and Regional Renewal, Philanthropy Australia co-hosted the very successful Australian Community Foundations' Forum in March 2002. We were privileged to have as special guests at this meeting Terry Holley, Vice-President for Programs and Rural Development at the East Tennessee Community Foundation, Monica Patten, President and Chief Executive of Community Foundations of Canada, Gaynor Humphreys, Chief Executive Officer of the Community Foundation Network UK and Luis Amorin, who headed the European Foundation Centre's Community Philanthropy Initiative.

Our efforts in supporting the development of Australia's community foundation movement will continue to be a high priority.

We hosted presentations by a range of eminent international and Australian speakers throughout the year, providing much stimulation and inspiration for our members.

One of the year's most exciting developments was the appointment of Jane Kenny as Membership Services Officer in NSW. We are really delighted to have a full-time presence in Sydney. In the eight months since she has joined the organisation Jane had made a tremendous contribution, arranging a series of members' events, initiating a number of affinity groups and encouraging the development of a collegiate peer network of staff and trustees in Sydney.

At this time last year we adopted a Voluntary Code of Conduct for Philanthropy Australia members. This was complemented by the publication, in association with Deakin University, of *Working on Governance and Accountability: A Manual for Philanthropic Foundations* by Dr Diana Leat. Based on a comprehensive study of governance and accountability of philanthropic foundations in Australia, the manual encourages foundations to re-examine their approaches to governance, and address the field of accountability.

Philanthropy Australia's professional development program was extended, with the introduction of full day grantmaker workshops led by Genevieve Timmons and Philanthropy Australia's Vanessa Meachen.

We initiated the first ever survey of Australia's philanthropic organisations. The results of this have now been analysed and we will shortly be inviting you to a forum at which the results will be presented.

Research into Australian philanthropy continues to be an important element in our work. We have entered into partnership with Deakin University to conduct vital new research, a two year project entitled 'New Trends in Foundation Formation'. This will examine the establishment and development of newly formed philanthropic foundations, investigate forms of accountability and develop transparency and accountability protocols for Australian foundations. Philanthropy Australia has also supported the work of Susan Woodward, from the University of Melbourne, in an Australian Research Council Project designed to determine whether or not existing company law adequately meets the particular needs of not-for-profit companies.

The 11th edition of *The Australian Directory of Philanthropy* was released and research completed for *The Australian Directory of Corporate Community Involvement*, although publication did not take place until early 2003. This is the first time in Australia that there has been a concerted effort to document the giving programs of Australia's major companies. We hope it will be a useful tool for grantseekers.

Early in 2002 we received unprecedented media coverage for Australian philanthropy, as part of the International Grantmaker Association Conference in Sydney. In bidding to host the conference, which brought more than 100 representatives from grantmaker associations in 30 countries to Australia, our aim was to heighten awareness and understanding of philanthropy in the southern hemisphere, particularly the Asia-Pacific region, to showcase recent developments in Australian philanthropy and to promote philanthropy to the Australian media, policy makers and general public.

We are fortunate to receive tremendous pro bono support. Chief among those who provide this are John Emerson from Freehills, the ANZ Bank and Brian Sherman. John provides us with consistent and invaluable good advice, and ANZ Bank is our very generous landlord. Brian Sherman has very kindly provided accommodation for Philanthropy Australia's NSW Membership Services Officer, Jane Kenny. Dame Elisabeth Murdoch assisted with the costs involved in establishing the Sydney office.

Arnold Bloch Leibler, Westpac, Freehills, Macquarie Bank, the RACV Foundation, the NRMA Foundation, JB Were, The AMP Foundation, The Smith Family, The Ian Potter Foundation, the Myer Foundation,

Perpetual Trustees, The Queensland University of Technology, the Herald and Weekly Times and the Leukaemia Foundation have all provided meeting space and catering for members' events.

I would like to acknowledge the hard work and dedication of my fellow Council members, to extend my thanks and appreciation to Tim Duncan and Ian Allen, for their work during their term of office, and finally I thank the staff for their commitment to the work of Philanthropy Australia and its members.



Lady Southey
President

From the National Director



This edition of *Australian Philanthropy* reflects the diversity of activity taking place in the sector, and hence the work of Philanthropy Australia.

In March, the first national conference on philanthropy was held in Sydney, attracting a wide range of excellent speakers from the corporate world, private foundations, community foundations and not-for-profit organisations, as well as leading academics, writers and researchers. While a full set of papers is available on the web, we have chosen to highlight one presentation in this edition of the journal, a speech by Katie Lahey of the Business Council of Australia, which created considerable interest.

In April, we held our special tribute to the philanthropy of Dame Elisabeth Murdoch. While the previous edition of the journal was dedicated to this remarkable Australian and the wonderful community organisations she supports, we report on the day's proceedings held at the Melbourne Town Hall.

We also pay tribute to two significant lans who are no longer with us in body, although their philanthropic legacies remain strong and vibrant – Sir Ian Potter, founder of The Ian Potter Foundation, who was born 100 years ago, and Ian Roach, former Chairman of The William Buckland Foundation, who sadly passed away earlier this year.

In June, I was privileged to attend the European Foundation Centre's Annual Conference in Lisbon, Portugal. One theme that emerged during the conference was the growing disquiet throughout the international foundation world at the tendency within some democracies to sideline and discredit the non-government sector and thus fragment the still tentative power of civil society. This is an issue that we in the Australian philanthropic community particularly, and the not-for-profit sector generally, would do well to examine in some critical detail.

Closer to home, our own relationship with government will continue to bear fruit, we hope. Philanthropy Australia, together with the Foundation for Rural and Regional Renewal, has made a submission to the Federal Government for the alteration of requirements for establishing DGR (deductible gift recipient) status for new community foundations. If we are successful, some of the bureaucratic hurdles to forming community foundations will be removed, allowing more time and resources to be spent on corpus and community building.

We also look at some exciting developments – a project to develop youth philanthropy, and a new national centre for pro bono legal services. Then of course there is the ongoing work of our very active affinity groups, including a new report on nurturing leadership opportunities for people with disabilities.

We trust you will be inspired by the energy that is happening throughout our sector.

A handwritten signature in black ink that reads "Elizabeth Cham". The signature is fluid and cursive, with the first name "Elizabeth" on the top line and the last name "Cham" on the bottom line.

Elizabeth Cham
National Director

News and Views

Philanthropy Australia – Council Members 2003-04

President: Lady Southey AM
Vice President: Ms Dur-e Dara OAM
Treasurer: Professor Tom Healy
Mr Ben Bodna AM
Mr Barry Capp
Ms Jan Cochrane-Harry
Mr Peter McMullin
Ms Sam Meers
Mr Royce Pepin AM MBE KCSJ
Dr Noel Purcell
National Director: Ms Elizabeth Cham

Newly Elected Council Members



Ms Sam Meers

Sam Meers is the Executive Director of The Nelson Meers Foundation, an arts foundation established in July 2001 with her father, Nelson Meers, a former Lord Mayor of Sydney. The Foundation was the first 'prescribed private fund' to commence operation in Australia. Having practised as a media lawyer for a number of years in two of Sydney's leading law firms and as in-house counsel with Grundy Television, Sam then spent six years as Director of Business Affairs and Head of Investments with Showtime, a joint venture between four major Hollywood studios. During her time with Showtime, Sam was also a founding board member, and later deputy Chair, of the Australian Subscription Television and Radio Association (ASTRA), the peak industry body representing the pay television industry in Australia. Sam holds degrees in Arts and Law and a Master of Letters degree in literature.



Dr Noel Purcell

Noel has served as a senior executive of Westpac since February 1986 in a variety of roles. He is currently the Group General Manager, Stakeholder Communications, with responsibility for all media, government, investor and community relations, as well as the Westpac Group corporate reputation and internal communication. Prior to joining Westpac, Noel served at senior executive level

within the Federal Public Service including: Assistant Secretary, Fiscal Policy Branch, Department of Prime Minister and Cabinet, 1984 to 1985; Senior Economic analyst of the Office of National Assessments, 1983 to 1984; and Director, Statistical Services Branch and other senior positions at the Australian Bureau of Statistics, 1972 to 1983.

Members Talking to Members

Philanthropy Australia members now have access to a tool that enables them to quickly and easily engage with other members on matters of common interest. This tool, known as an email discussion list or listserv, utilises a single email address to send a message to everyone subscribed to the listserv.

Currently the following lists exist:

- Community – for staff and trustees of community foundations, and allied professionals
- Youth – for discussion of matters pertaining to youth philanthropy
- PA-members – for all members of Philanthropy Australia.

The primary purpose of the listservs is to allow easy connection for discussions and information exchange. Philanthropy Australia can create new discussion lists based on member demand.

To join the lists or simply read about them, go to the members' only section of the Philanthropy Australia website.

Jack and Robert Smargon Families Award

A new Jack and Robert Smargon Families Award has been established, to grant \$16,000 to an institution which supports medical research in Victoria.

This Award will acknowledge an institute that has supported the recipient of the 2003 Premier's Award for Medical Research.

The Premier's Award is awarded annually by the Victorian Government and celebrates Victoria's medical researchers – both their pioneering, innovative achievements and their future potential.

"In conjunction with the prestigious Premier's Award for Medical Research, we hope that the Jack and Robert Smargon Families Award will bring additional benefits to the community through its support of Victoria's medical research institutes," said Jack Smargon, Chairman of the Jack and Robert Smargon Families Foundation.

The focus of the Foundation, established in 1995, includes medical research, health issues, community welfare, homelessness and drug abuse, with particular attention to children and youth issues.

Dame Elisabeth Murdoch Honoured in Style

Five former State Premiers, two former State Governors, one former Governor General and over 350 invited guests joined the Council and members of Philanthropy Australia, together with the Governor of Victoria and the Lord Mayor of Melbourne, to honour the philanthropy of Dame Elisabeth Murdoch CBE.

Philanthropy Australia hosted the event in April, and presented Dame Elisabeth with life membership. The City of Melbourne provided the gracious Town Hall as the venue, and Lord Mayor John So presented Dame Elisabeth with the key to the City of Melbourne.

Beautiful plants adorned the stage, courtesy of the Royal Botanic Gardens, and a soprano from Opera Australia opened proceedings with a soaring rendition of Advance Australia Fair. There were many more organisations that have benefited from Dame Elisabeth's generosity ready to contribute to a moving and uplifting morning.

Philanthropy Australia Vice President, Ms Duré Dara, introduced the guest speakers and provided brief insights into the many passions and achievements of a remarkable woman.

"She gives and thinks with her heart, her head and her hands," Ms Dara said.

Lady Southey, President of Philanthropy Australia, thanked Dame Elisabeth for being a mentor and a role model, noting in particular her hands-on approach to community involvement.

"She chairs meetings, hosts functions, visits sick children. She is a glowing example of what we all, as individuals, can really achieve when we are prepared to give of ourselves," Lady Southey said.

Victorian Governor, John Landy, noted that Dame Elisabeth had touched the lives of thousands of Victorians and Australians, in the fields of scholarship, artistic endeavour, mental health, drug dependency and disability.

"She has adopted a star to aid astronomical research, and she has even had a hybrid tea rose named in her honour," Governor Landy said.

Artistic Director of Somebody's Daughter theatre company, Maud Clark described Dame Elisabeth as "one of the most radiant human beings – and also the most humble – that I've had the privilege of meeting in this life time."

Barbara Hocking of SANE Australia thanked Dame Elisabeth for having great foresight and a fearless approach, which helped this small organisation for people with mental illness gain a wider profile in the community.



Dame Elisabeth Murdoch

Patrick Greene from Museum Victoria outlined the interactive gene testing display that Dame Elisabeth's support had helped develop, bringing together the fields of education, health, medical research, and even zoology.

"Dame Elisabeth contributes so much to human knowledge, human enjoyment, and the wellbeing of society and individuals," Mr Greene said.

Dr Hugh Wirth, from the RSPCA, spoke about Dame Elisabeth's willingness to become patron of the newly formed Mornington Peninsula Branch of the animal welfare organisation.

"She is not just a patron, she is also an advocate, supporter, protector, adviser, warner, corrector and encourager. She is not just interested, she is devoted," said Dr Wirth.

Maxine Duncan spoke about Dame Elisabeth's special relationship with Merriang Special Development School, including her visits to the school, reading to the children, and the spark and laughter she always brings with her.

Elizabeth Cham, National Director of Philanthropy Australia noted that Dame Elisabeth "understands that the work the community does is the glue of democracy."

Dame Elisabeth of course, had the last word, asking with that famous twinkle in her eye, whether receiving the key to the city would entitle her to free parking.

"Philanthropy is such a joy – I feel I have been the fortunate one. I'm so grateful for the opportunities I have had to become involved with the most splendid people.

"How wonderful it is to have all this appreciation and praise while I'm alive. No memorial service could improve upon this!"

"I'm encouraged to go on living for a very long time, so I can continue to be useful."



Maud Clark from Somebody's Daughter theatre company.



Lady Southey; The Governor of Victoria, John Landy; Dame Elisabeth Murdoch; and Mrs Landy.



Barbara Hocking from SANE Australia.



Dame Elisabeth Murdoch



Patrick Greene from Museum Victoria.



Dr Hugh Wirth from the RSPCA.



Maxine Duncan from Merriang Special Development School.

Report on 2002 Survey of Australian Philanthropic Trusts and Foundations

By Chris Brophy, Coordinator of 2002 Philanthropy Australia Survey

Australia lacks a publicly available, comprehensive set of data on its philanthropic sector. Consequently, the exact number and nature of Australian philanthropic trusts and foundations is unknown. Late last year, to address this lack, Philanthropy Australia, supported by a grant from The Myer Foundation, undertook its first national survey of Australian philanthropic trusts and foundations.

Data for the survey was collected via a self-completion questionnaire mailed in November 2002 to a target group of 196 individual philanthropic trusts/foundations taken from the Philanthropy Australia mailing list. The response rate was 32%. A target group this size cannot adequately represent the entire Australian philanthropic sector. Rather, it should be seen as a legitimate starting point to begin mapping the sector.

Results of the Survey

As the first survey of its kind undertaken by Philanthropy Australia, this was very much a 'testing the water' exercise. Because of the long tradition of secrecy surrounding the financial affairs of Australian philanthropic trusts/foundations, one of the main concerns was that trusts/foundations would be unwilling to disclose any financial information about their activities. It was reassuring that so many were willing to provide details of administration costs, the value of grants made, value of assets and income earned.

The main outcomes of the 2002 survey have been:

- Better understanding of the survey process and the survey target group
- Positive indication of the willingness of trusts/foundations to disclose financial information
- Collection of sufficient data to develop certain benchmarks for the sector
- Identification of issues within the sector that warrant further research or debate

Profile of a 'Typical' Trust/Foundation

Information gathered through the 2002 survey indicates that Australian philanthropic trusts/foundations typically:

- Have an average of 8 Board members or trustees (median 7) who meet 6 times a year (median 4.5)
- Employ some paid staff (73%), although the total number of paid staff is low (median 3)
- Do not compensate Board members/trustees for their board service (84%), but if they do, are more likely to be government bodies who most typically pay board members/trustees an annual Director's fee (average of \$9,857)
- Do not reimburse Board members/trustees for expenses incurred performing trust/foundation business (59%) or use Board members/trustees to provide

professional services for their trust/foundation (71%), but if they do, usually do not pay their Board members/trustees for these services

- Usually have written policies on maximum/minimum terms and conflict of interest for Board members/trustees but rarely have written policies to ensure gender equity, racial and skills diversity on their Board
- Accept unsolicited applications for funding (74%) and most commonly award grants either once or twice a year
- Produce written guidelines for grant applicants (78%)
- Commonly assess grant applicants using a combination of Board and staff members (40%) but are more likely to rely solely on paid staff to monitor grant recipients
- Will fund projects that require multi-year funding (70%)
- Commonly require grant applicants have Deductible Gift Recipient (DGR) status and an ABN
- Most commonly make Youth (48%) and Social services/welfare (59%) their top grantmaking priorities but rarely prioritise Gays/Lesbians (2%) or people with gambling addictions (5%)
- Most commonly will not fund for-profit, government or political organisations; political activities; deficit funding; fundraising projects; religious activities or provide funds to other grantmakers.

Some Grantmaking Trends in 2002 Survey

- Respondents received an average of 357 grant applications (median 111)
- 27% of grant applicants were successful
- The main reason given for applicant failure was insufficient available funds (54%)
- The areas receiving greatest support in terms of value of all grants made were: Health (30%); Social services/welfare (19%); Education (15%); and Arts and culture (11%)
- The three areas receiving least support in terms of value of all grants made were: civil society, law and civil rights; religion; and animal welfare
- Respondents allocated most monies to applicants in the state in which their trust/foundation was located. (This applied even to those trusts/foundations that grant Australia-wide.)
- 41% of trusts/foundations indicated they would allocate more funds for grants in 2003.

Because of the small size of the 2002 survey sample compared to the probable size of the entire Australian philanthropic sector, this first survey cannot claim to have achieved a complete picture of the Australian philanthropic sector. However, it has enabled a clearer understanding of the nature of the sector; identified some important issues worthy of further research and will serve as a sound basis for subsequent national surveys by Philanthropy Australia. Provided the necessary funding is available, Philanthropy Australia intends to repeat the survey every two years.



Sydney Events

Ethical Investment Seminar

By Jane Kenny

A members' seminar on ethical investment was held earlier this year. The session was hosted by AMP in a beautiful setting overlooking Sydney harbour.

Duncan Paterson of the Centre for Australian Ethical Research (CAER) gave a brief history of ethical investment and an overview his organisation, which was recently launched as an independent, not-for-profit organisation. CAER currently holds a database of over 300 Australian companies. They perform research on the practices of these companies to inform their advice on investment decisions.

Duncan spoke about positive and negative screens that can be applied. For example, 'investors with faith' exclude companies investing in tobacco, alcohol and gambling but might look to invest in companies that encourage workplace giving and who provide products that combat social problems. Environmental investors might avoid companies that engage in pollution, forestry and global warming but instead seek out companies that are known to recycle, use renewable energy and are actively engaged in positive environmental initiatives.

Michael Anderson, Head of Socially Responsible Investment (SRI) at AMP explored ways in which the world has changed and how that is influencing what people do with their money. These changes include western affluence, greater enfranchisement, evidenced by consumer power and share ownership; population growth, which has a direct bearing on the availability of the world's resources; and globalisation.

He contrasted business values of the 1970s, when the focus was on making money and social obligations were considered a threat, to the values of today, in which there is still a focus on business making money, but internal and external costs are reduced (sustainability) and social obligations are considered an opportunity. Michael presented evidence that SRI as an investment style is certainly not negative and in fact tends to the positive.

Canada's Civic Core: Who Gives, Joins, Volunteers?

By Jane Kenny

Australia and Canada are often said to be similar in many ways, so a recent study of Canada's 'civil core' – how many people are involved in giving, volunteering and civic participation – is of great interest to students of Australian civil society.

The Centre for Australian Community Organisations and Management (CACOM) at the University of Technology, Sydney, together with Volunteering NSW recently hosted a presentation by Canadian social scientist, Dr Paul Reed.

Dr Paul Reed is Senior Social Scientist with Statistics Canada and Associate Professor (sociology and law) at Carleton University, Ottawa. He has been involved in the 1997 and 2000 surveys of Canadian giving, volunteering and participating.

Dr Reed's study revealed that in all three domains, a relatively small proportion of the participants provided a large proportion of total effort. Only a small proportion of the Canadian population are very active in all three spheres of civic activity. One quarter of Canada's adult population accounts for nearly three quarters of all giving, volunteering and civic participation.

Within the full 'civic core' lay a small primary core of strongly committed individuals comprising 8 per cent of the adult population who provided almost half of all volunteer time and charitable dollars, and one-quarter of all civic participation in 1997.

While the results varied considerably from region to region, people in the 'civic core' showed a consistent set of distinctive traits regardless of region. These included being older, religious, well educated, in higher status and income occupations, with children 6-17 living at home, and residing in communities outside major metropolitan centres.

Professor Mark Lyons from the University of Technology, Sydney, pointed out that so far, such research has not been undertaken in Australia because a similar data set has not been available from the Australian Bureau of Statistics. He said, however, that it was likely that a similar pattern existed in Australia: an analysis of the 1995 Voluntary Work survey showed that less than 3 per cent of the adult population contributed almost 60 per cent of volunteer hours.

The Kibble Awards – A Perpetual Contribution to Australian Literature

The Kibble Awards for Australian literature were established through the will of Nita May Dobbie, and are managed by Perpetual Trustees. Rohan Mead, Group Executive, Personal Financial Services at Perpetual Trustees, spoke about the contribution of philanthropy to Australian arts and culture at the 2003 presentation of the awards.

"The Kibble Awards started in a modest way, with the donation of a suburban Sydney cottage in 1992 in Nita May Dobbie's will.

Nita Dobbie's aunt, Nita Kibble, began work with the State Library of New South Wales 104 years ago – and retired after 44 years of service.

During that time she was the sole guardian of her niece whose mother died in childbirth. Nita Kibble raised her niece with her wages from the library, essentially taking on the role of a 'single mother' through the early years of this century and through the First World War.

They shared a love of books, and for 33 years Nita Dobbie also worked as a librarian and research officer.

The two Nitas made a great contribution to the arts in a very quiet way during their lifetimes. Since their passing, their contribution has been more public through the acknowledgment and development of Australian women writers.

Bryan Small, who is co-trustee of the Awards, was Miss Dobbie's solicitor and he helped Nita Dobbie draft her will to reflect her desire to boost Australian female literature.

Since 1992, the fund has grown to be in excess of \$500,000 and is able to offer a \$20,000 prize to the Kibble winner (an award for an established author) and a \$2,500 prize to the Dobbie winner (an award for a first published author) each year.

Over the last decade 'Kibbles' have developed considerable stature, as a forum for the recognition of quality work of shortlisted and winning authors – Marion Halligan, Helen Garner, Judy Casaab, Roberta Sykes, Geraldine Brookes, Drusilla Modjeska, and Inga Clendinnen.

Nita Dobbie's actions were and are powerful. A Charitable Trust, once established is a permanent fixture in our social landscape, enshrined by law.

The Kibble Awards are an example of the power of individual acts of philanthropy to enhance our community. The Awards help to raise community awareness about the enormous contribution that private sector giving can make to further the arts in this country.

Private philanthropy can do things that the broad brush of government policy cannot do. It can create new and important spaces in our cultural life, it can expand and enrich civil society.

It makes a continuing contribution to a more plural, more diverse, and dare I say, more tolerant environment for us all.

Perpetual Trustees has been managing these Awards for ten years. One of the very rewarding aspects of being part of Perpetual is the chance to work with the literary and arts community on awards such as these.

We are indebted to everyone who has lent their guidance and expertise to help us manage the Awards and support the literary community. We are very proud of the small role that we play in helping support arts in Australia through the Kibble Awards."

Supporting Leadership Opportunities for People with Disabilities

A Report to the Disability Affinity Group by Kelley Johnson, Patsie Frawley, Colin Hiscoe and Ria Strong, October 2002.

Philanthropy Australia's Disability Affinity Group agreed last year to commission research into leadership training opportunities and support for people with disabilities.

Dr Kelley Johnson was appointed as lead researcher, and the report *Supporting Leadership Opportunities* was launched in March this year.

The report is an important example of what foundations working collaboratively can achieve, especially in the context of an affinity group. The reference group who oversaw the research project includes a number of philanthropic foundations together with disability and community organisations.

As the Disability Roundtable report of 2001 noted "Real change will only be achieved for people with disabilities in Australia if people with disabilities themselves are the major agents of that change. The main focus... needs to be on developing leadership skills and strong networks amongst people with disabilities to increase and resource the involvement of people with disabilities in lobbying and advocating their cause."



At the report launch.

Supporting Leadership Opportunities highlighted the need to consult with people with disabilities about what their leadership training needs are and what could best support their opportunities.

Its authors found that leadership is an emerging area of interest for people with disabilities. Training, economic support, and opportunities to develop skills, knowledge and personal awareness, were all important factors in providing positive leadership experiences.

Many people with disabilities who were involved in advocacy and support groups identified specific areas where they wanted some or more training, which were not dissimilar to the training needs of many community and advocacy groups. These areas included committee involvement skills (roles, responsibilities, meeting procedures, self management, advocacy and communication skills); public speaking and media skills, submission writing, mediation, office procedures, preparing budgets and accounts, and how to establish and develop a group or organisation.

The report concluded that people with disabilities lacked three significant things which would make leadership more accessible and possible for them both within their organisations and outside:

- Resources – which include money, time, energy and sufficient self-esteem or confidence
- Information about programs which existed and how to develop new ones which would meet their needs
- Relationships or connections with others who had similar needs and wishes.

The report made a number of recommendations, including further exploration of existing programs; further discussions between government agencies, advocacy groups and the philanthropic sector; possible establishment of a clearing house for information about existing training opportunities and support information; greater use of peer support programs; development of a strategy for specific intensive courses and workshops, and providing financial support for intending participants.

It was also recommended that a video showing people with disabilities in leadership roles in the community be made and disseminated to local government, advocacy organisations, disability services and leadership programmes, and that the history of self advocacy in Victoria should be documented and included in leadership training programs available to people with disabilities.

The Leadership Training Reference Group was chaired by Laurence A Joseph (The Gandel Charitable Trust), and funding for the project was provided by The Jack and Robert Smorgon Families Foundation, The Gandel Charitable Trust, The Jack Brockhoff Foundation, The Reichstein Foundation and ANZ Trustees.

John Gandel Receives International Award

Mr John Gandel AO will be awarded the B'nai B'rith International Gold Medal for distinguished services to the Australian community, especially for his major contribution to commerce and business, philanthropy, the arts, cultural and humanitarian causes.

Previous B'nai B'rith International Gold Medal awardees include United States Presidents Dwight Eisenhower and Harry S Truman, German President Richard Weizsäcker, and Israeli Prime Ministers David Ben Gurion and Golda Meir.

Australian recipients include former Prime Ministers Malcolm Fraser and Bob Hawke. Most recent awards were made to Phillip Brass and Jeanne Pratt in Victoria and Hans Mueller and John Landerer in New South Wales.

B'nai B'rith, the world's oldest and largest Jewish service organisation, was founded in New York in 1834, and has branches in over 50 countries on six continents. It is the only non-government organisation with full time status at the United Nations.

The formal presentation of the award to Mr Gandel will take place on Sunday 16th November, 2003 at a Gala Dinner to be held at the Crown Palladium Ballroom in Melbourne.

Trends in Philanthropy in New Zealand

By Anthony Hooper and Dr Sue Kenny

Dr Sue Kenny, Director of the Centre of Citizenship and Human Rights at Deakin University and Anthony Hooper, a social researcher attached to the Centre, visited New Zealand in May as part of an Australian Research Council research project that is examining trends in the formation of philanthropic foundations.

New Zealand provides an interesting point of comparison with Australia because proceeds from the sale of its community trust banks and energy authorities in the 1990s were retained within regional communities to form community and energy trusts.

The trusts have established substantial endowments up to \$NZ200 million and make substantial grants or donations to the community. For example, one trust serving a community of around 100,000 people makes grants of around \$NZ9 million per annum. A number of interviews were conducted with representatives from community and energy trusts. The interviews focused on the links between the trusts and their communities; governance and accountability; the grant making procedures that they had adopted and the relationship between their role and that of government in the funding and resourcing of community organisations.

The boards of the trusts are either government appointed (community trusts) or directly elected by the local population (energy trusts). There was some disquiet about the effectiveness of government appointments of board members, as a politicising of the work of the trust. On the other hand other interviewees were satisfied at the quality of their board members.

In relation to their grant making practices, many preferred the term donations to describe their often substantial disbursements. Whilst most gave donations based on written applications to numerous organisations, there was evidence of the increasing use of the discourse of strategic philanthropy to describe their work. For example, some trusts were selecting priority issues to focus their funding efforts and others directly approached community organisations to deliver particular programs. In addition, there were examples of trusts establishing and funding specific purpose organisations designed to deliver particular programs identified as priorities.

A number of those interviewed referred to 'community philanthropy', a term not commonly used in Australia. Whilst specific definitions varied, the term seemed to encapsulate the giving of time or money by individuals within a community. Some trusts were developing generosity strategies that appeared to be an attempt to promote more volunteering of time and donations of money within communities.

Community foundations are, like in Australia, at an embryonic stage. One community trust had renamed itself as a community foundation and a larger community foundation, Compass, has been established in the North Island. The Tindall Foundation has allocated money for the development of community foundations in New Zealand and a number of communities are in the process of developing local community foundations. As in Australia, there are important issues to be addressed in relation to the viability of emergent community foundations.

A central theme that emerged from the interviews was the role of the community trust or foundation in their communities. For some, the primary role was to build and maintain their endowments and distribute grants or donations annually, whilst for others this role was complemented by others described variously as a broker between community groups and funding bodies, a facilitator of community development initiatives and a strategic player in the formulation of policy. This theme reflects a similar debate occurring within Australia regarding the primary role of emerging community foundations. Interviews conducted with community foundations in Australia have shown that some emphasise the building of an endowment or corpus as their primary focus whilst others argue that this focus is too narrow and that their foundations need to establish a strategic place in local communities as a broker and facilitator of community development.

The research will be concluded at the end of 2003 and it is anticipated that a number of publications will flow from it. The aim of these publications will be to stimulate discussion about the role of philanthropy in contemporary Australian communities and to provide emergent foundations with relevant information about the issues they face in becoming established within their own communities.

Making Community Philanthropy Work

Overcoming Barriers Facing Community Foundations
Philanthropy Australia, together with the Foundation for Rural and Regional Renewal, have made a submission to the Commonwealth Government, outlining some of the barriers to establishing new community foundations, and proposing possible solutions.

The submission was prepared by Catherine Brown and Associates, and funded by the Charles Stewart Mott Foundation.

Community foundations in Australia, especially those in rural and remote areas, have encountered real difficulties in achieving their purposes because of their structure and tax status. Removing some of the legal and regulatory barriers would enable community foundations to make a more meaningful and effective contribution to the Australian communities in which they work.

Barrier 1: Donations to a community foundation's public fund may only be used to fund organisations with DGR status

Issue: "We need to fund more than DGR organisations to achieve our goals. We hardly have any DGRs in our region."

A grant making entity that is eligible to be endorsed as a deductible gift recipient (DGR) must be a trust operating as a Public Fund or a prescribed Private Fund. The requirement to have a Public Fund in order to have tax deductibility is the main barrier to community foundations and gives rise to the following difficulties. The only type of Public Fund that a community foundation can use at present is an ancillary fund. Donations that are tax deductible and made to the Public Fund may therefore only be given to organisations that also have Deductible Gift Recipient status.

Solution: Community foundations need to be able to fund charitable organisations, or even charitable activities that meet the specific community development objectives of a community foundation. This is more in line with the other type of Public Fund of organisations such as those on the Registers of Cultural or Environmental Organisations. Guidelines and a Model Constitution could be prepared to ensure that community foundations comply with their purposes.

Barrier 2: A too complex structure

Issue: "We are a group of dedicated, high profile volunteers – we just want to make the community foundation work. Why do we need all this complexity? We are finding it confusing to explain to donors that part of the community foundation is income tax exempt and has charitable status and the trust part is a Deductible Gift Recipient."

The legal structure of community foundations is complex. Currently, community foundations in Australia are, for the most part, a company and one or two trusts. The current confusion is also compounded because different components of the legal structure have different tax status. The company is an income tax exempt charity and the Public Fund (trust) is both an income tax exempt charity and a deductible gift recipient. Hence only gifts made to the Public Fund provide donors with a tax deduction.

Solution: A community foundation should be one legal entity created following a Constitution with key clauses agreed by the Australian Tax Office. These could draw on successful models in other countries, especially the United Kingdom and Canada, and on some of the requirements of the Register of Environmental Organisations under the Income Tax Assessment Act 1997.

Barrier 3: Creating donor advised funds is limited by tax and trust law

Under the current structure, a community foundation can create management accounts, also known as subfunds, within the Public Fund for particular donors. However, the Trustee of the Public Fund (usually the company) may not fetter its discretion (decision making power) as trustee and hence donors may only make recommendations about the use of their donation. A subfund must be part of the Public Fund.

Solution: Community foundations should be able to establish separate funds within the single entity that can be 'donor advised', provided that the grant is within community development objectives. The proposed Guidelines would regulate this area.

Barrier 4: Sporting organisations are not charitable

Issue: "We can't make grants to sporting organisations, which are really the social support mainstay of our rural community."

Sporting organisations are generally not recognised as charitable organisations, let alone deductible gift recipients, in Australia. Sporting organisations play a very important role in communities across Australia. They provide opportunities for healthy activities and for community involvement and support from other players and mentors. In rural areas particularly, they are often the glue that keeps a community together.

Solution: Drawing on recent work of the UK Cabinet Office, sporting organisations could achieve eligible grant recipient status if they are able to demonstrate that they are amateur; aim to promote and maintain health; have open membership; charge a reasonable membership fee, if at all; and be for the public benefit.

In summary, the submission recommends that a new category of DGR be created known as regional community foundations, which are subject to ATO guidelines. The features of this new tax-deductible entity would be:

- A simple and single structure with specific objects
- Able to carry on charitable activities as well as grantmaking
- No restriction on grantmaking to only organisations with DGR status
- Ability to create donor funds in a straightforward manner.

Remembering Sir Ian Potter



Sir Ian Potter

December 3rd 2002 was the 100th anniversary of the birth of Sir Ian Potter. To mark this milestone, The Ian Potter Foundation commissioned a brief illustrated history of the life and achievements of its founder as part of the Philanthropy Australia Historical Monograph series. Written by Dr Peter Yule, 'Ian Potter: Financier and Philanthropist' was launched by Professor Geoffrey Blainey at the opening of the Ian Potter Seminar Room at the State Library of Victoria.

A private dinner to celebrate the anniversary was held in Melbourne last December, and addressed by Professor Derek Denton of the Howard Florey Institute. This is an edited version of his remarks.

Ian's father was a Bradford Wool merchant. Ian was born in 1902 on one of the family's visits to Australia. His education was in England, and then Scotland. I think the latter actually etched on his mind – much more than just wearing a tartan dressing gown around his lodge at Lake Eucumbene. I noted it in relation to his personal frugality as distinct from public beneficence.

Most people probably know Ian's remarkable impact on the financial structure of Australia – as stockbroker and merchant banker.

After graduating from Melbourne University with a stellar performance, he had experience in the Commonwealth Treasury as RJ Casey's economic adviser. He formed many relationships and later entered the industrial and financial world. He was original, and his approach was to build wealth by floats and amalgamations – the antithesis of takeovers for asset stripping. His impact was on both the industrial and mining segment of Australia.

Over two decades Ian Potter was involved in most major developments. He attracted outstanding people to his enterprises by virtue of personality and force of intellect. Because of his exceptional abilities he was much sought after internationally, as the adviser or chairman of Australian operations of great enterprises. His latter professional days were involved in merchant banking and shipping.

People who knew him in this field have described him as 'an enigma and a genius'. His negotiating skills, networks, a remarkable memory and grasp of detail, and relentless pursuit, marked his path to success. He influenced the course of national development.

As one result of all this Ian became what the Americans call 'seriously rich'. This brings me to what I would like to highlight – his philanthropy.

Presently, the endowment of the Ian Potter Foundation is near \$200 million, and this is after disbursing already some \$40 million. It's a magnificent gift to the nation, and he gave away much more otherwise.

I first met Ian in about 1954. Ian was verbally combative early in the day. Somehow we got into a Doestoevskyian argument about crime and punishment. I wrote him a letter the next day further disagreeing with him, and our long friendship began.

He came to see what we were doing with the sheep at the University's Department of Physiology and was exceedingly interested in the basic biological issues.

Ken Myer, after visiting the John Curtin School in Canberra, rang me up and said "What would it cost to build an absolutely world class laboratory for your long term experiments on large animals?" I gave him a figure of 250,000 pounds. He said "Let's have dinner with Ian Potter on Wednesday night." We did. Ian's immediate response was "yes, splendid and lets go halves in two-thirds of the cost... and also we'll underwrite the lot so Dick (myself) and Pansy (Sir Douglas Wright) can get an architect straightaway." By Friday night, we had engaged Barry Patten. I'm sure it's an Australian academic record for speed, and probably an international record.

Events snowballed. I went to the Rockefeller Foundation, and Dr Robert Morison, the Medical Director agreed to give 50,000 pounds. Ian then crafted a fine letter to the Prime Minister asking for 100,000 pounds and got the memorable reply "Dear Ian, I've spoken to Harold and that will be alright. Yours Bob."

It was shortly after the opening of the Florey Institute that he set up the Foundation. The press were bemused – they didn't often meet a man who gave away a million pounds and who sincerely didn't want any publicity about it. He set up the Foundation with a Board of Governors, distinguished in their conspicuously differing spheres of life – probably the best insurance against the bureaucratisation of a foundation.

Ian had his quirks, which added much to his attraction. One was a tendency out of office hours to needle people, particularly close friends from the arts. He would tell them that they really needed someone from the world of finance to take care of them since their organising capacities were not up to it. The desired result was a blazing row.

He loved to settle down in front of a great fire in his lodge at Lake Eucumbene and inhale two or three of his famously near-lethal Martinis. Ian was a keen and not very good fisherman.

In relation to medical science, I think Ian had a complete empathy with curiosity driven enquiry – the search for knowledge for its own sake. I think he understood very well that the greatest medical discoveries have come from imaginative inquisitiveness by talented people – not by goal directed projects where the grantors believe they already know the result to be obtained.

Dr Thomas Hurley, who wrote a fine memoir on Ian, drew attention to his reluctance to have anything named after him. It wasn't his wish or why he set up the Foundation. I think many of us applaud the Governors in not following his inclinations in this regard. The eponymous naming is a ringing affirmation of Ian's generosity and imagination.

Let me note some examples of how an endowment can change the trajectory of knowledge.

In each case, one person's decisive benefaction altered the course of human history.

My hope, indeed my expectation is that 100-200 years from now, people looking back will associate the name of Ian Potter, as is true now, with major creative initiatives within our nation. One inspired act of philanthropy can alter the history of a nation – indeed the history of humanity.

Henry Cavendish, 7th Duke of Devonshire was Chancellor of Cambridge University in the 1870s. He offered to establish a laboratory building and provide all the apparatus if the University agreed to appoint a Professor of Physics. They did.

It was in this building, during the First World War, that a later Cavendish Professor of Physics, Lord Rutherford, first split the atom, changing nitrogen into oxygen. He also named the alpha and beta particles and the neutron, which Chadwick later discovered. In 1953, within the Cavendish walls, Watson and Crick discovered the structure of DNA.

Henry Lucas, a Cambridge citizen and Member of Parliament, endowed the Lucasian Professorship at Cambridge University. Isaac Newton held the chair in 1667, discovered gravitation and also elements of the nature of light. Centuries later Stephen Hawking in the same Lucasian Chair is unravelling the nature of 'black holes' and advancing our comprehension of the Universe.

Alfred Nobel woke up to read his paper one morning and read his own obituary. His brother had died and it was a mix up. It described him as a spectacularly successful industrialist and financier, supremely rich, and not much else. "Was that what they think I was here for?" he allegedly said, and the event was material in his decision on the final disposition of his fortune. Everybody knows the impact of the Nobel Prizes.

Leonard Ian Roach AO: 17 March 1925 – 22 April 2003



Ian Roach, stockbroker and founding Chairman, the Australian Stock Exchange; Chairman of The William Buckland Foundation.

From the Eulogy by his wife, Judy Roach, son Richard and daughter Sally.

Ian was the oldest of three children, born in 1925 to Winifred and Leonard Roach. His father was a professional military man who served in both world wars with the highest distinction. His mother Win came from a large family in a quarrying and civil works business in Brunswick. Her father Alexander Wales, was blinded in a quarrying accident.

After leaving Scotch College in 1943, Ian contributed to the war effort by joining the RAAF Medical Corps. His father encouraged him in this choice as a means of avoiding the horrors of the front line which he himself had experienced first hand.

Following the war Ian went on to do a degree in Agricultural Science at Melbourne University which he completed in 1949 and this led to a job with the Valuation Department of The Federal Tax Office which he undertook while studying at night to qualify as a property valuer.

He was offered his next job as a valuer at the National Mutual Life Office in 1955 which lasted for six very successful years. He was the first university graduate they ever employed and he believed, with his typical humility, that this was the reason they liked him so much.

Since the death of his grandfather Alexander Wales in 1939 he had become increasingly active and expert in managing the estate. His interest and success as an investor was recognised by his broker friend Jim Perry at Davies and Dalziel who employed him as a private client advisor in 1961 and in 1963 proposed him for membership of The Exchange. And this was the beginning of a career in broking which finally ended with his retirement from Merrill Lynch in April 1999.

During that time he achieved a remarkable status in the industry. As his friend and former Partner Tom Hogg put it "Ian was to broking what Marilyn Monroe was to sex". Or as his friend and colleague Vicky Genius says, "we should be praying to him rather than for him".

Outside family and friends Ian's greatest passions were his profession and his philanthropy. Two of his favourite projects were The Centre for Independent Studies (CIS), an independent think tank of which he was Chairman from 1990 to 1992. He passionately believed that CIS could improve the quality of government policy by raising the standard of public debate.

The Alexander Wright Wales Trust was formed when Ian persuaded his maternal aunt May del Cott to establish scholarships to Scotch College and PLC for talented children whose parents lacked the means to pay private school fees. More than 100 boys and girls have or are receiving the scholarship since May del Cott's death in 1975. He only recently retired as chairman of the Trust.

Ian's professional life in recent decades fell into two distinct areas: the firm and the exchange.

The firm, of which he was senior partner, went through numerous name changes from its formation in 1964 through to its absorption into McIntosh's in 1990. And despite changes in the industry and wild movements in the market over that period, one thing remained constant: Ian's belief in maintaining a strong focus on a culture of integrity and professionalism. As one colleague put it, "at Roach's, unlike some firms, the culture of integrity started at the top".

The greatest disappointment of his professional career came in the late 1980s when he was forced to make savage staff cuts at which time he believed he had betrayed the significant trust that others had placed in him.

His tenure in the 1980s as Chairman of the Stock Exchange took place during the most tumultuous decade the Stock Exchange has experienced, yet one event stands out as the crowning achievement of an already successful career – the central role he played in achieving a merger of the six state stock exchanges to form the ASX. The ASX lives on as his greatest professional legacy.

Ian touched the lives of many people with his acts of kindness and unconditional generosity. He paid school fees, bought a car and even houses for various people at their times of need, but in his humility he was reluctant to discuss these acts even within the family.

We will each have our own recollections of Ian, as an avid art collector, as a proud gardener, as a kind, enthusiastic and doting grandfather.

Most of all Ian was a wonderful husband, father, brother, grandfather and friend. We have all been privileged to have him pass our way.

Vale Ian Roach

By Elizabeth Cham

I first met Ian in 1990. It was at the opening of an accommodation service for people with alcohol related brain injury. The small terrace was crowded, with people who were delighted that someone – The William Buckland Foundation – had finally acknowledged the plight of this very marginalised group of men and was providing the first service of its kind in Australia.

I found Ian outside happily chatting to some people who looked very fragile. Ian was relaxed and obviously very interested in them and their lives, without any sense of condescension or judgement. I could not help noticing his warmth and quiet rapport.

Later I came to believe that this empathy for those less fortunate, may well have been inspired by the situation of his much loved grandfather, who had been blinded in an explosive accident at his quarry in Brunswick.

I remember thinking "Why would the recently retired founding Chairman of the Australian Stock Exchange, and prominent Melbourne businessman, come to this small community event?"

I soon learned that he was there to understand better what The William Buckland Foundation had funded. He had come to meet the people who would run the programme and especially those who would benefit. He took his job as Chairman of the Foundation seriously.

From the first day he was appointed as a Trustee and soon after as Chairman, Ian introduced fundamental changes into the operations and philosophy, which remain a source of strength to it today. He was a wise investor of the Foundation's monies, taking its investment policy from its former overly cautious approach to a more sophisticated and financially intelligent one.

He also changed the culture of the Foundation. He was the first formally elected Chairman in May 1986, and he remained in the position until his retirement in 2000. His leadership style was inclusive, collaborative, and sensitive to the views and feelings of his fellow trustees. He was courteous and considerate – an absolute democrat.

Meetings became quarterly, a committee secretary was appointed, there were two major reviews of the grantmaking guidelines, and visitors from applicant agencies were invited to meetings. Many have remarked to me over the years how generous and gentlemanly Ian was at those meetings. The Foundation also came to rely on research and site visits to inform its grantmaking decisions. Ian and his fellow trustees realised that research is just as important for grantmaking as it is for investment.

I think Ian began to see that a foundation could be an agent for social change. He probably never used the term 'soft power', but he was a superb practitioner of it.

Hard power is the ability to get others to do what we want – the use of military might or economic muscle to influence and even coerce. Soft power is the ability to get others to want the same things we do.

Philanthropy as soft power can provide hope and healing to those broken and battered by economic systems. It can provide creativity and innovation for those seeking resources to facilitate research or to unlock the mysteries of new ideas struggling to be born.

As an example, in 1995 The William Buckland Foundation was approached by a group of people who were looking to implement a radical preventative strategy for juvenile offenders. The model was Family Group Conferencing – a non-custodial diversionary alternative to imprisonment for young people coming before the court for a second time.

Ian Roach brought together the groups that were critical to the success of such a strategy – magistrates from the Children's Court, police, government departments, welfare agencies – people who at that time rarely talked to each other.

Ian and the trustees realised that such fundamental change takes time, so funding was provided for five years – from early development to consolidation. Today's trustees continue to apply these understandings in their flagship projects.

Ian's significance in philanthropy goes beyond The William Buckland Foundation. He believed strongly in the importance of the advocacy work of the peak body, Philanthropy Australia.

In 1997 Ian and other colleagues accompanied me to Canberra to meet with members of the Prime Minister's staff. We suggested that the Prime Minister might establish a philanthropic roundtable. One year later the Prime Minister chaired its first meeting and it has been largely instrumental, through tax changes, in the recent growth of philanthropy – 81 new foundations in the last two years.

Ian Roach died suddenly of an aortic aneurism in the emergency department of the Alfred Hospital, on whose board he had served from 1986 to 1988.

All who knew him have been enriched by the experience, and will always remember him with love, respect and affection.

A Snap Shot of Youth Philanthropy

By Rebecca Gardner

"I am feeling strange being the decider... my self-esteem has risen a bit and my confidence is growing too" Australian youth grantmaker.

There is an international movement to involve young people in grantmaking. Done well, it can be a unique way for young people to experience a meaningful connection to their community and to develop valuable decision making and leadership skills.

In an Australian first, a group of six foundations have developed an initiative to further the role of young people within the philanthropic sector. The Youth in Philanthropy Project is designed to support Australian foundations to implement youth participation strategies by developing tools and resources, and working directly with foundations. The project is supported by The Foundation for Young Australians, The Myer Foundation, The Telstra Foundation, The RE Ross Charitable Trust, Philanthropy Australia and the Foundation for Rural and Regional Renewal.

Previously young people in philanthropy have played a silent role. Traditional methods of teaching young people to be philanthropic, such as detached fundraising for a charitable cause are changing. Foundations are leading the way in youth participation strategies that give young people a voice and a new perspective on community involvement.

Youth participation is happening at many levels and in all types of foundations. Young people are grantmakers, board members, staff and even founders of foundations.

In the USA there are an estimated 500 youth grantmaking programs, and this does not include the numbers of young people who are involved in their family's foundation or young people who are founders of their own foundation. An inspiring example of an established youth grantmaking program is the Michigan Community Foundation's Youth Project (MCFYP), which was one of the first programs of its kind to be developed in the USA.

The MCFYP began in 1988, developed by the Council of Michigan Foundations and financially supported by the WK Kellogg Foundation and the Charles Stewart Mott Foundation. An initial grant was set up as a challenge grant: For every two dollars raised locally and placed in permanent endowment within a community foundation, the Kellogg Foundation pledged one dollar to build a youth fund. The Mott Foundation issued a companion grant to provide start up support and technical assistance to emerging community foundations.

Since inception, more than \$47.6 million has been matched by over \$100 million raised locally, to create 86 permanently endowed youth funds. A Youth Advisory Committee (YAC) made up of at least 50 per cent young people oversees each of the funds. The average age of a new YAC recruit is 13-15. YACs involve more than 1,500 young people annually as members.

Programs that involve young people as grantmakers now exist in New Zealand, Canada, United Kingdom, Balkans, India and Australia, and the movement is growing.

With many Australian foundations becoming more strategic in their grantmaking, the rise of community foundations and a general move towards foundations becoming more inclusive of the community, the time is right for Australian foundations to start benefiting from youth participation strategies. Youth grantmaking provides a valuable resource to foundations and grant recipients as well as having outcomes for the individual grantmakers, as these forms of grantmaking can be youth development programs in their own right.

In Australia there are some great programs emerging that are formalising the process of teaching young people grant making skills.

The Foundation for Young Australians (FYA) implemented a comprehensive youth participation policy in 2002, recognising that the most effective way of involving young people in the organisation was to involve them on every level. FYA's youth participation strategy includes young people in all aspects of decision making, from the Board of Directors through to the groups that make decisions on specific funding rounds.

Each State and Territory committee comprises seven Youth Grant Makers and two to four adult members. An adult member chairs the committee with a Youth Deputy Chair. As the Chair is also a member of the Board, the Deputy Chair attends national FYA meetings, including the Board meeting if the Chair is unavailable. The Committee's primary role is to assess the 'Youth for Youth' applications and make funding decisions on grants of up to \$20,000.

"Young people's contribution to the decision making of The Foundation for Young Australians has been significant. Through the involvement of young people, we have built youth priorities into everything we do – from the way we grant to the way we run our organisation. We have benefited enormously from this and I hope, we helped young people to also have a better understanding of the philanthropic community and ways they can be involved."

Mary Wooldridge, CEO
The Foundation for Young Australians



Adam Smith (Victoria), Mardi Jordan (Australian Capital Territory), Brad Lanken (New South Wales) are part of *The Foundation for Young Australians' National Strategy Committee*.

The Myer Foundation established the G4 fund in 2001. Young people who are the fourth generation of the Myer family control the G4 fund. The G4 determine their priority funding areas and make grants based on the guidelines that they have set. The aim of the fund is to encourage the fourth generation to be philanthropic.

The Wingecarribee Community Foundation has a focus on young people, supporting them to determine community needs through running community mapping and visioning activities. They also hosted a youth philanthropy day in 2002.

Some other examples of foundations that have been completely designed for and run by young people include the Millennium Kids which is a youth run environmental group that has provided grants for youth led projects in WA since 1996 and the RUMad? Program developed by the Education Foundation, that has supported the creation of the Melbourne Girls College Foundation.

Why Do They Do It?

Understanding the motivation for a youth in philanthropy program is imperative for determining the approach and the potential outcomes. For example, if a program is set up purely to promote the organisation to young people, then young people will be given very little decision making power. Similarly, if a program is designed solely with the intention of developing young people into good and responsible citizens, then conflict may arise when young people try to express opinions that may not be agreed with by adults in the organisation. Ideally, the motivation for a youth in philanthropy program would be that the organisation wants to incorporate the ideas, perspectives and energy of young people while providing young people with the opportunity to develop new skills.

Organisations that engage young people experience many benefits. These include¹:

- Adults in the organisation understand the needs and concerns of young people and gain a stronger sense of community connectedness
- Young people help to clarify and bring focus to the organisation's mission
- The organisation becomes more responsive to youth in the community
- Including young people in decision making leads organisations to reach out to the community in more diverse ways
- Involving young people increases the organisation's credibility.

One of the challenges of youth participation however, is that young people are not young people for ever, they grow up and so a youth participation strategy needs to be a part of an organisational approach that embraces the input of young people and recognises that this is an ongoing commitment and not just a one off event.

1. Adapted from University of Wisconsin, 2000, *Youth in Decision Making: A Study on the Impacts of Youth on Adults and Organisations*, The Innovation Centre.

Strategic Reviews

Looking Back Before Stepping Forward

Philanthropy exists to achieve change. So when change does occur, grantmakers need to keep up and even get ahead of the game. Many trusts and foundations are now undertaking formal reviews – to take stock of what they have achieved, evaluate their processes and giving patterns, determine what they still wish to achieve and identify the best ways of getting there. A review might be done ‘in house’ or might involve outside consultants, submissions from and discussions with other stakeholders.

Even when trust deeds are specific about a foundation’s purpose, there are many and evolving ways of turning a benefactor’s hopes into action, especially in a rapidly changing world.

Australian Philanthropy aims to showcase some examples of foundation review.

Achieving ‘Change not Charity’: New Directions for The Reichstein Foundation

By Mandy Bathgate

The Reichstein Foundation was established in 1970 by engineer, industrialist, entrepreneur, civic leader and philanthropist, Lance Reichstein. Over the past 30 years, this Victorian based foundation has been spearheading a move towards more responsive, creative and progressive grantmaking in Australia.

“He didn’t bother taking holidays and couldn’t understand why people would want them because ‘work was fun’. When Lance finally finished at Industrial Engineering Limited, there was something like 50 years of holiday pay owing him.”

*Jill Reichstein
(From Lance Reichstein Remembered by Paul Anderson)*

The youngest of six children born to German Lutheran farmers in South Australia, Lance Reichstein grew up in the inhospitable district of Murchard. He was raised with the values of hard work, education, independence of thought and religious practice, which steered Reichstein throughout his life.

Upon Lance’s death in 1979, the Foundation inherited a significant proportion of his wealth. It has since dispersed \$10 million. Lance’s daughter Jill Reichstein and granddaughter Lucy are both actively involved in running the Foundation and will be joined by Jill’s son Tom when he turns 18.

Taking Stock

No foundation can operate effectively without responding to the communities they work with. Periods of review, reflection, consultation and change are critical in ensuring philanthropic activity has a positive, longer term impact on civil society.

To this effect The Reichstein Foundation trustees and staff undertook a strategic visioning and review process in 2000, resulting in new guidelines. The process was wide ranging and inclusive.

Grantseeker Evaluation

In August 2000, Lil Healy from SMS Consulting wrote to 495 community organisations that had sought funding from The Reichstein Foundation over the previous three years, inviting them to participate in a series of focus groups. Participants, including groups that were not successful in their funding application, were asked about what future funding direction the Foundation should take and how it could be more responsive.

The resultant report *Another Perspective – A Review of Grant Seekers Experience of The Lance Reichstein Foundation* revealed that:

- Grantseekers viewed the Foundation as a successful, innovative trust that has helped the community sector deliver social justice outcomes. It was seen as one of the most progressive philanthropic organisations, with a responsibility to help develop progressive philanthropy in Australia
- There was strong support for continuation of the current funding mix of small and large grants. Grantseekers identified the need for clearer priorities, longer term funding and advocacy by the Foundation to other funders on their behalf
- Targeting of an issue or theme by trustees was supported as a part of the overall funding portfolio, but not as an exclusive process or to the detriment of community control of the issues. Advocacy was consistently raised as a critical theme throughout the review process
- Grantseekers were very supportive of the Foundation taking a lead in facilitating shared learning from projects and pursuing cutting edge ideas. Advocacy, promotion, research, lobbying and mentoring were identified as important roles for the Foundation
- Grantseekers encouraged the Foundation to continue working with collaborative processes, strategic partnerships and alliances where possible
- Respondents supported the small grants program in principle but saw it as diluting the strategic influence of the Foundation by spreading its effort too broadly across many issues. The Foundation could be more proactive in setting their own agenda; investing their own funds towards the cutting edge innovative projects.

Developing a Strategic Plan

Tracey Gary, well known American philanthropist, social activist and founder of Changemakers (an organisation which aims to grow progressive philanthropy in the US) conducted a strategic review with Reichstein trustees and staff. Trustees reaffirmed the Foundation's focus on community development, particularly systemic advocacy projects. The mission 'Change not Charity' was decided upon along with development of new guidelines, a new action plan, and a stronger emphasis on working with donors. The Foundation also decided to investigate the possibility of establishing a 'sister' Changemakers in Australia.

Executive Officer, Christa Momot, said that The Reichstein Foundation has also re-written its acquittal process to capture examples of projects that have helped lead to systemic change.

The Victorian Council of Social Services and Shelter Victoria – Housing is a Human Right project, is according to Christa Momot, one such example.

In this case the issue is not about funding further accommodation options but looking at the underlying reasons and barriers for homelessness such as discrimination in the private rental market. There are many empty private rental properties; however people on benefits and other marginalised groups are constantly discriminated against and prevented from accessing this form of accommodation. Many of these systemic barriers will be tackled and hopefully eliminated as a result of this project.

Another example of achieving systemic change cited by Ms Momot was a Reichstein grant made to the Victorian Deaths in Custody Watch Committee, a group established to seek justice for the families of men and women who had died while in state custody.

"Through a coronial inquest the project was able to highlight systemic flaws in Victoria's privatised prison system with the prison in question being taken back into government control as a consequence," she said.

Ms Momot considers an active Board as critical to the Foundation's work and focus on structural change.

"Our Board is comprised of 'veterans' of many social change projects and stakeholder groups reflecting our priority areas," she said.

Christa Momot's vision for the future of The Reichstein Foundation and the philanthropic sector at large is proactive and in keeping with their current mission.

"We need to continue to make connections with groups that are working hard towards social change but who might not be aware of funding opportunities. We also need to form and maintain strategic collaborations between philanthropy, government and community to effect systemic change. A good example of this is the Philanthropy Australia Disability Affinity Group process with their project Getting Heard Getting Change. Government, philanthropy and community were all involved," she said.

For the Public Good – Promoting a Pro Bono Culture

Gordon Renouf of the National Pro Bono Resource Centre talks to Carole Fabian.

Long before the term 'corporate social responsibility' came into vogue, lawyers were making their contribution to the community through pro bono (literally, 'for the good') services to those who couldn't pay.

To help promote and further develop pro bono work throughout Australia, the **National Pro Bono Resource Centre** was established in August last year.

The Centre is an independent, non-profit organisation that receives financial assistance from the Commonwealth Attorney-General's Department and the Faculty of Law at the University of New South Wales.

Its objectives are to encourage pro bono legal services, support lawyers and law firms to make it easier for them to provide high quality pro bono legal services, and work with the profession and the community sector to match services with the clients and groups most in need of assistance.

Gordon Renouf, Director of the National Pro Bono Resource Centre, believes that there is a broad commitment amongst most legal practitioners to offer pro bono services, arising from a sense of professional responsibility and commitment to the rule of law.

"The rule of law doesn't make much sense if there are legal rights available to people but no practical means of enforcing them," he said.

"It's part of the ethos of being a lawyer. That's not to say that there aren't lawyers out there who aren't particularly interested in pro bono work, and who prefer to concentrate on their commercial objectives.

"But the ideology of the rule of law influences most lawyers as they are being trained. It's a role for this Centre to promote the idea that being a professional carries a responsibility to ensure that the system lives up to its ideology."

Many kinds of legal services can be provided pro bono to clients who cannot afford the legal assistance they need. They include legal advice, court representation, legal assistance to non-profit organisations, community legal education, submissions to government on matters of public interest (law reform), and other legal work such as drafting documents.

Pro bono services support and extend the legal services provided by legal aid commissions and community legal centres. Mr Renouf explained that most of Australia's large law firms employ a full-time pro bono coordinator.

"Pro bono can be good for business. Some corporate clients – for example those that are committed to the triple bottom line – will sometimes ask legal firms tendering for work about their pro bono practices.

"And secondly it's good for recruiting talented law graduates to say that the firm has an effective pro bono program and that young lawyers will get opportunities in that area. One firm reports that 70 per cent of graduates interviewed this year asked about the firm's pro bono program.

"Some of the work that you do as a young lawyer in a large firm is not particularly exciting, so the prospect of doing work of a different nature, and with social justice benefits, can appeal to new graduates. Not all firms market their pro bono programs to their clients or the public, but they all market it to their potential staff."

The Centre's main role is to publish information and other activities including organising the Second National Pro Bono Conference to be held in Sydney on 20-21 October this year. Information about the conference can be found at the Centre's website.

The Centre does not refer individuals to lawyers. This is a task undertaken by community legal centres, Public Interest Law Clearing Houses in New South Wales, Victoria and Queensland, the Law Society, Law Institute based schemes, and some court based schemes (the Federal Court, for example, operates a scheme for referring cases to firms).

What the Centre does do is identify policy issues and barriers to pro bono and how these might be overcome, and disseminates information to pro bono lawyers and to community organisations about the opportunities that are available for each.

One project underway is to look at ways that law students can participate in pro bono services.

"Many already do by volunteering at community legal centres, or coming up with their own activities based around law students' organisations. This project would aim to support organisations such as the Australian Law Students Association to set up more structured opportunities," Mr Renouf said.

Another of the Centre's most important roles is to document the different kinds of legal services that exist, and encourage lawyers to look beyond the model of simply providing pro bono representation in court.

"It's not that representation is not important – it is – but there are a number of other ways that might suit different lawyers' skills or different clients' situations that can be explored. Much of our role is to provide the tools and the ideas about different forms of pro bono, about making links, and being a catalyst."

One example of a pro bono program that combines face to face service with advocacy and policy development is the Homeless Persons' Legal Clinic in Melbourne. The Clinic was established in October 2001 to provide free legal assistance to, and advocacy on behalf of, people who are homeless or at risk of homelessness. The Clinic is a joint project of the Public Interest Law Clearing House (PILCH) and the Council to Homeless Persons.

Legal services are provided at crisis accommodation centres and welfare agencies by pro bono lawyers from participating law firms and legal departments, including Allens Arthur Robinson, Blake Dawson Waldron, Clayton Utz, Hunt and Hunt, Mallesons Stephen Jaques, Minter Ellison, Phillips Fox and the National Australian Bank Ltd Legal Department. Each firm is responsible for the provision of services at one or two host agencies on a weekly basis.

The Clinic also undertakes advocacy regarding law reform and social policy issues which affect homeless people.

This is one of a number of models that the National Pro Bono Resource Centre is keen to highlight.

Mr Renouf said there were many areas of law where advice or services were needed, but the pro bono expertise was not always available.

"There's a welcome trend for pro bono lawyers to either develop new expertise in areas of need, or to specialise in particular areas.

"For example, at least one firm in Sydney has identified a need for pro bono services in domestic violence cases, particularly for contested hearings when the publicly funded services can't always obtain sufficient lawyers.

"They set up some training programs in that area, and there are about 70 or 80 lawyers being trained. Part of our role is to identify needs like this and to promote the solutions that we or others develop.

While lawyers are the main focus of the National Pro Bono Resource Centre, Mr Renouf said there was scope to work with other professionals.

"In some areas there is a need for expert advice and assistance, especially in relation to evidence during court cases. Examples might include an engineering report, or a financial report, or expert advice about the situation in a foreign country when dealing with refugee matters. So it's certainly on our agenda to look at whether there is a way for other professions to contribute in a supporting role to legal pro bono matters.

"There is also scope for professions like accounting to be involved, for example, with issues to do with the governance of community organisations. We are aware that Pro Bono Australia is undertaking work to promote pro bono of this sort."

Primarily, however, the National Pro Bono Resource Centre is, according to Gordon Renouf, about 'trying to ensure that pro bono is an integral part of the legal professions culture'.

Refugees and Asylum Seekers – Donor Forum

By Mandy Bathgate

Earlier this year, The Reichstein Foundation collaborated with the RACV Foundation, to hold a highly successful forum on the issue of refugees and asylum seekers. With an audience of over 60, Real Justice and Real Relationships helped raise awareness and understanding of issues in an empathetic and thought provoking arena.

Very often foundations are one step removed from the communities and initiatives they support. The three people who shared stories of their homeland, their journey to Australia and their lives since release from detention lessened this gap, bringing home the human side of suffering. As one donor put it:

"The reality of life as a refugee really struck home when listening to the stories first hand as told by members of the Fitzroy Learning Network. I found myself wondering how I would cope fleeing my beloved homeland with family in tow fearing for our lives, only to land in a country that welcomed us with incarceration. Would I be able to maintain my sanity while watching my family disintegrate under the uncertainty of an eternity of processing and appeals in a language I didn't understand? If we were 'lucky' enough to be granted a bridging visa, how would I maintain my will to build a new life without the right to work, medical cover or welfare payments? How would I keep my dignity and self esteem on finding out that I had to rely entirely on the benevolence of an alien community and culture, and a seemingly hostile government?"

The afternoon provided an opportunity to hear from a range of organisations about what is being done, what needs to be done and how we can all become involved. Discussion topics included influencing government policy and taking a lead in the debate, children in detention, providing relevant services and how community groups and individuals can get active.

But more than that, it was an opportunity to connect with others, exchange ideas and be inspired. The speakers had reclaimed 'philanthropy' and were passionate in their 'love of mankind'.

"I came away feeling I had a greater understanding of both the big picture and the small and where I could play a part," remarked one participant.

Individual grant makers are often much more responsive and open to engagement of ideas and issues in shaping their own philanthropic practice, than are foundations and trusts. Much of their activity has been historically marked by a deep-seated resistance to engage in what is seen to be political activity.

Julian Burnside's words, which The Reichstein Foundation included on its promotional flyer, highlighted the need for further discussion and debate about the role of philanthropy in proactively shaping a just and civil society.

"Be assured that in 20 years time your children or your grandchildren will ask: 'What did you do to try and change this?' And if you do not have a good answer, you will show yourself to be complicit in the great crime of 21st century Australia."

Jill Reichstein commented that the purpose of the day was not to debate the political status of refugees and asylum seekers in the country but to become better informed of the experiences and plight of refugees and asylum seekers and of how people and organisations were working together to improve legal, social, economic and civil rights for such communities.

Donor forums are a place for listening and sharing ideas and knowledge. They serve to enhance the scope and capacity of private donors to make informed decisions and to encourage a more vigorous and critical philanthropic sector at large.

With two forums held since December 2002 there has also been the positive spin-off of increased collaboration between trusts, and a welcome opportunity for open discussion and sharing of ideas in a traditionally reticent and politically conservative sector.

A forthcoming forum on the environment will be held with The Mullum Trust, a foundation active in the area of conservation and environment. Such collaboration helps maximise audience participation, provides for a greater pool of expertise and, for smaller foundations, avoids stretching organisational resources too far at the cost of core activity.

One Corporate/Community Partnership that has Stood the Test of Time

By Paul Andrews, *Mission Australia*

This year marks the 10th birthday of one of Australia's longest standing corporate-community partnerships.

The Shopfront Youth Legal Centre in Sydney is a joint project of Mission Australia, The Salvation Army and leading commercial law firm, Freehills.

Located in Kings Cross, the Centre offers legal support, advice and representation for disadvantaged and homeless people aged 25 and under.

Freehills staffs the centre with three solicitors, one paralegal and a legal assistant, the Salvation Army provides office space rent-free, while Mission Australia covers the services operating expenses.

"The Shopfront was set up ten years ago in response to the 1989 Burdekin Report, 'Our Homeless Children' which highlighted the fact that young homeless people were suffering human rights violations and were especially disadvantaged in the legal process," said Principal Solicitor and Manager, Jane Sanders.

"Many of the young people we see not only have legal problems, but they're also often struggling with other serious difficulties, such as homelessness, mental illness, sexual assault or substance abuse.

"Where the Shopfront comes into its own, is that we don't just help with legal advice. We have a close relationship with other agencies, which help our clients with their non-legal needs such as accommodation and counselling. These issues are usually closely linked with a client's legal difficulties."

"The Shopfront also educates young people, and those who work with them, about the legal system. Where we can, we also advocate for positive changes to laws and policies which affect young people."

The long term partnership between Freehills and Mission Australia is multi-faceted. Freehills also regularly provides Mission Australia with pro bono legal services, and both organisations are actively involved in advocacy.

The partnership was a finalist in the inaugural Prime Minister's Awards for Excellence in Business and Community Partnerships in 1999. In addition, two of the Shopfront's solicitors have been recognised by the National Children's and Youth Law Centre's Children's Lawyer of the Year Awards.



Shopfront foyer, mural painted by a young person from a Mission Australia visual arts program.



Prime Minister's Business and Community Partnership Awards, 1999. People from left to right: Senator the Honorable Jocelyn Newman, Captain Paul Moulds – Salvation Army, Patrick McClure AO – CEO, Mission Australia, The Honorable John Howard PM, Luke Hastings – Freehills.



A shopfront solicitor talking to a client.

Nothing Ventured, Nothing Gained

Philanthropy Australia Conference, March 2003

Philanthropy Australia's inaugural conference, Nothing Ventured, Nothing Gained was held in Sydney on 17 and 18 March 2003. The forum brought together 247 delegates from Australian and international philanthropic foundations, major corporations, research institutions, government and community organisations.

The Conference was the first opportunity for representatives of Australia's grantmaking sector to come together for an extended period of discussion and debate.

We have selected one of the papers presented to the Conference, to give but a brief glimpse of the proceedings. Ms Katie Lahey, Chief Executive of the Business Council of Australia, gave a thought provoking address about corporate philanthropy and its problems, and we include a condensed version of some of her remarks.

The Conference Proceedings, which are now available online to Philanthropy Australia members, record a critical and intensive conversation, and contribute to the advancement of philanthropy by making the sector's collective knowledge available for practitioners and researchers alike.

The assembled 38 papers represent over 80 per cent of the presentations delivered at the Conference, and contain innovative and challenging ideas for all practitioners involved in the field of philanthropy—foundation board members and staff, individual donors, researchers and nonprofit organisations. They present a range of viewpoints on vital sectoral issues, from creative visions for foundations, to legal and taxation matters, to relationships with non-profits.

The role of philanthropy is critical at this time – a time when the boundaries of what we understand to be government, business and community are porous, and a new shape to society is emerging. It is hoped that this collection of papers challenges and inspires all involved in philanthropy and community development as they work to create the future.

Hard copies of the Conference Proceedings are available to non-members through Philanthropy Australia.



Dur-e Dera, Lady Southey and Ruth Jones – Philanthropy Australia.



Christopher Thorn – Principal, JBWere Philanthropic Services.



Plenary Session at Philanthropy Australia conference.

Corporate Philanthropy – State of Play

*Edited version of conference paper presented by
Ms Katie Lahey, Chief Executive, Business Council of Australia*

With so much focus currently on negative corporate behaviour, it gives me some pleasure to focus on the potentially positive topic of corporate philanthropy.

A survey by the ABS released last year estimated total business donations and contributions to the community at \$1.5 billion a year. A study conducted two years ago, put the contribution of Australian business to community and social projects much higher – at over \$2 billion a year.

There are always difficulties in defining and measuring corporate giving. The quantum of in-kind contributions, by their very nature, is particularly hard to gauge. The fact that many businesses, shy away from publicising or highlighting their philanthropic efforts means that even this \$2 billion figure is likely to be conservative.

While we have few high-profile corporate benefactors that approach the contributions of say, a Bill Gates, what is clear is that Australian business is making a sizeable monetary and in-kind contribution to a wide range of projects, activities and causes to communities throughout the country.

The Centre for Corporate Public Affairs study highlighted a number of interesting findings and trends in relation of corporate giving in Australia. These included:

- Increasing evidence that business is integrating and embedding philanthropy and other social responsible activities into their core business activities and strategic plans
- An expectation among business that its role in community involvement, or at least community expectations of that role, will increase
- A strong view, and perhaps frustration, that governments and the public do not recognise the extent and depth of their activities in relation to corporate giving.

I think all these observations reflect a fundamental shift in Australia in recent years in how business views corporate social responsibility. The exit by Governments from traditional areas of activity through the privatisation of utilities and authorities has played a major role. Privatisation has afforded business many commercial opportunities in infrastructure development and service provision traditionally reserved for the State.

Another factor is that we now live in a more participatory society. The community is better educated and more socially-conscious – hence they expect higher standards from business. This has translated into expectations for business to take a greater and more active role in social and community responsibilities.

The formation by the Prime Minister of the Community Business Partnership in 1999 to encourage partnerships between corporate and community sectors is just one example of an expectation that business should increasingly focus on issues that go beyond corporate profits and markets.

At the same time, corporate Australia is discovering that social responsibility can be good business, or at least, needs to be factored into their core business activities. In this age of increasing grass-roots activism – be it consumer, shareholder or community – companies are actively displaying their social and corporate consciousness as a point of differentiation from

competitors. We only have to look at the rise of company reputation surveys to understand that stakeholder perceptions and sentiment are viewed by business as being close to, if not on a par with a company's business fundamentals.

Another key factor is the recent backlash against both the reality and perceptions of corporate excess and failure. This is creating additional pressures and expectations on business to demonstrate community and moral leadership through good works and contributions.

The BCA, as the peak group representing the interests of Australia's corporate sector, is very aware of the need to promote corporate responsibility. It should be – at least in theory – a powerful offset to what has become a very negative environment in terms of perceptions of corporate Australia.

We plan to conduct and release a major survey of our members into the scale, type and rationale for community giving. We believe it is important for the community to understand that Australian companies contribute immense value to the community over and above adding direct value to the Australian economy.

The last 20 years have seen a real shift in the influence and standing of Government and business. Numerous international surveys have tracked the steady erosion in respect for established leadership structures, including big business. In particular, a World Economic Forum survey released earlier this year found that only a third of the public trusted executives of large companies.

Of course, with the Enrons and HIIs of recent times, business does not always display its best side when it comes to fostering community respect and standing. But the current climate of cynicism and distrust over the actions and motives of business goes way beyond the fall-out from what are, in the wider scheme of things, one-off corporate collapses and transgressions. A few bad apples have tarnished us all.

Even a clear majority of employees don't trust or respect the company line. A recent study in the United States found that only a third of workers actually believed the statement – 'I can trust management in my organisation to always communicate honestly'.

This begs the questions – if companies are now finding it increasingly difficult to get their staff to hear and believe them, how hard must it be to engage with the broader community. Indeed, an almost perverse relationship exists between the amount of effort and money that some companies contribute to the community and the level of negative feedback, rather than positive acknowledgment they receive.

Take Nike and McDonalds as examples. Each donates massive amounts of dollars to philanthropic causes. Yet few companies elicit greater levels of criticism or suspicion. Are the protesters outside Nike stores across the world familiar with the company's spread of philanthropic programs targeting developing countries? These include programs to enhance access to sports for underprivileged youth in South America, new parks and recreational facilities for children in China, small business loans and enterprise skills for disadvantaged Vietnamese women, as well as health education in Thailand.

Corporate Philanthropy – State of Play (continued)

McDonalds last year released its first-ever social corporate responsibility report to specifically answer charges that it, among other things, destroys local cultures and forests, exploits young workers and effectively trades in obesity. The lengthy report outlined the company's efforts in the community, environment, people and the marketplace. This included \$300 million in funds raised since 1984 and spent on improving the lives of children and their families in neighbourhoods worldwide. It also outlined the massive contributions the world-wide food chain makes to improving education and job skills for young people, as well as numerous community development programs it has pioneered in a number of developing countries.

Similarly, our banks are often viewed as takers from rather than givers to the community, with heaps of negative criticism about quality of service, branch closures and interest rate gouging. Some of this criticism is of course justified. However, Westpac recently produced a 45-page report detailing its contributions to the community. It is not just – as some cynics will inevitably claim – a fluffy PR exercise. Rather it is a succinct and accurate accounting of the breadth and depth of the company's philanthropic roots into the community. They range from supporting rescue services, environmental programs, building literacy and numeracy skills and programs to develop life skills.

Even with these substantial records of corporate giving, companies such as these continue to be on the receiving end of scepticism, and in some cases, outright vilification. Certainly in this day and age, big is not seen as beautiful.

Within this environment, companies could be forgiven therefore for asking themselves the obvious question. What is the rationale for business – both in a commercial and moral sense – to contribute large amounts to communities which reciprocate in such a way?

I think the finding in the BCA study, which detected a clear unease among business over the lack of acknowledgment it receives from community giving, is an issue for concern. There is now hard evidence to suggest that Australians are more distrustful of the corporate sector and corporate leaders than those of other countries, say the United Kingdom and the United States. The tall poppy syndrome is alive and well.

I fear that unless both parties manage to find ways to re-connect, the rationale and motivation for business to build and maintain bridges through good works will erode. If the corporate sector retreats into its shell it will see corporate social responsibility go backwards. And that will inevitably impact on the level of contributions and otherwise admirable work that the business community has, and is already undertaking.

So at a time when shareholders and investors are demanding increased accountability, transparency and returns for their investment, how does a company continually justify unacknowledged and unloved corporate giving programs?

It is true that many businesses become involved in corporate philanthropy and good deeds in the hope of improving their reputations. At a generic level this clearly hasn't worked. So does this mean that companies will pull back or will they redouble their efforts? Or will community trust only be restored when business changes its behaviour? No amount of public relations,

corporate social responsibility, philanthropy can paper over corporate misdeeds.

The second cloud on the horizon for business in this whole debate, is the growing short term-ism among business and investors.

Recent research by the BCA points to the average tenure of a CEO being approx four years. This coupled with the increased corporate turbulence with takeovers, mergers, collapses, means that corporate focus is more and more on the short term, bottom line. However, successful community and stakeholder relations more often than not involve more than a one-off contribution or donation. They usually occur within the context of stakeholder strategies that take months, if not years, to bear fruit. Long term partnerships are difficult to nurture in a short term environment.

We are in an age where returns on investment are expected within shorter timeframes. So how does a long-term program of corporate giving, which may or may not deliver bottom line benefits, survive intact under these sorts of commercial pressures?

While I am not suggesting that the combination of community discontent and commercial pressures will result in withdrawal of business investment from the community, I am highlighting a conundrum for the business community. A conundrum that will require organisations like Philanthropy Australia to work with us to resolve.

A recent study by Corporate Good Works – an Australian consultancy which facilitates partnerships between the corporate sector and the community – found that the top 10 Australian companies contribute almost 60 per cent of total corporate funds to community and social causes.

I think it is of concern that, within the context of the potential constraints on community giving that I have already outlined, a relatively small number of companies contribute the lion's share of funding. One only has to look at the recent Ansett experience to understand the potential impact that the loss or withdrawal of a major sponsor of community projects can have.

We hear a lot lately about the triple bottom line becoming the quadruple bottom line – financial, social, environmental and now governance reporting. The current debate in and outside of business on governance is simply huge. The scale and detail involved in the debate, as well as demands from the market, shareholders, Government and the broader community to quickly address concerns over governance may result in companies taking some of their focus away from social and environmental responsibilities.

CEOs and other senior managers will need to spend much more of their time and energy establishing a whole raft of new governance structures and processes such as audit committees and corporate ethics statements and policies. As a result, they will probably have less time to spend on 'non-core' or 'optional' good deeds.

While the governance issue and other issues I have referred to are definitely problematic for business, I must stress that the will and intent within Australia's corporate sector to deliver meaningful philanthropic outcomes for the community remains strong.

Resource Centre News

Philanthropy Australia's Resource Centre contains Australia's most extensive collection of books, journals, articles and press clippings 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. Materials can also be accessed via inter-library loan.

New Publications

New publications on Australian philanthropy are relatively rare, so Philanthropy Australia's 2003 Conference Proceedings is a particularly important contribution to the literature on the sector, providing an exploration of the current state of play.

Other notable new resources available in the Resource Centre are:

Roy Everard Ross: Engineer, Investor, Quarryman, Philanthropist, Jane Sandilands, The RE Ross Trust, 2003

Helen Macpherson Smith Trust 2001-2002 Annual Report

Bowling Alone: The Collapse and Revival of American Community, Robert D Putnam, Simon and Schuster, 2000

In this seminal work on social capital, Robert Putnam explores how Americans have become increasingly disconnected from family, friends, neighbors, community and democratic structures. Social capital has plummeted, impoverishing lives and communities. Putnam shows how changes in work, family structure, age, suburban life, television, computers, women's roles and other factors have contributed to this decline, and discusses ways to promote civic engagement, restore community and build social capital.

Engaging Art: The Artful Dodgers Studio: A Theoretical Model of Practice, Martin Thiele and Sally Marsden, Jesuit Social Services, 2003

This book examines the role of the arts as a framework for socially re-engaging highly marginalised young people. Community cultural development is explored, drawing on the knowledge and practices of artists at The Artful Dodgers Studio. It is a companion volume to Risking Art: Art for Survival.

Creating tomorrow's philanthropists: curriculum development for youth, New Directions for Philanthropic Fundraising, No. 36 Summer 2002

The latest edition of *Third Sector Review*, Vol 9, No.1, contains the following articles:

- 'Cooperative Solutions to Rural Renewal: Building Capacity for Coordinated Action' Jo Barraket, University of Melbourne
- 'Foundation Formation: An Australian Mystery?' Diana Leat, London School of Economics
- 'Putting Paid to Prescribed Roles: A New Era for Australian Women and Philanthropy' Margaret A Steinberg and Lara Cain, QUT

Copies can be requested from the Resource Centre.

We also have two new journals:

New Community Quarterly – An Australian publication dedicated to community development.

Stanford Social Innovation Review – From the Stanford Graduate School of Business in the US comes this new publication designed to support management in the social sector, providing a bridge between the academic community and practitioners.

Home and Abroad

Conferences: Australian

Sustainable Economic Growth for Regional Australia (SEGRA) Conference 2003

When: 15-17 September 2003

Where: Grand Mercure Broadbeach, Gold Coast QLD
Further Information: Belinda Healey, GPO Box 2301, Brisbane Qld 4001
Phone: (07) 3210 0021
Fax: (07) 3210 0044
Email: mansol@bigpond.net.au
Website: www.users.bigpond.com/mansol/segra

Life Activities International Conference on Disabilities

When: 21 September 2003 – 24 September 2003

Where: Newcastle NSW
Contact: Life Activities International, Level 4, 50 Hunter Street, Newcastle NSW 2300
Phone: (02) 4929 5858
Fax: (02) 4929 7003
Email: lisamills@lifeactivities.org.au
Website: <http://lifeactivities.org.au>

Second National Pro Bono Conference

When: 20-21 October 2003

Where: Sydney
Further Information: National Pro Bono Resource Centre
Phone: (02) 9385 7381
Email: info@nationalprobono.org.au
Website: <http://www.nationalprobono.org.au/>

3rd Australian Family and Community Strengths Conference

When: 30 November – 03 December 2003

Where: University of Newcastle, NSW, Australia
Contact: Jane Yeaman, Tulips Meeting Management, PO Box 116, Salamander Bay NSW 2317
Phone: (02) 4984 2554
Email: familystrengths@pco.com.au
Website: <http://www.pco.com.au/familystrengths>

Conferences: International

Business for Social Responsibility Building and Sustaining Solutions

When: November 11-14 2003

Where: Los Angeles, California, USA
Enquiries: BSR Conference Registration
609 Mission Street, 2nd Floor
San Francisco, CA 94105
Fax: 415 537 0889
Email conference@bsr.org
Website:
<http://www.bsr.org/BSRServices/Conferences.cfm>

CIVICUS (World Alliance for Citizen Participation) World Assembly 2004

When: 21-24 March 2004

Where: Gaborone, Botswana
Further Information: CIVICUS
Phone: +27 11 833-5959
Fax: +27 11 833-7997
Email: info@civicus.org
Website: www.civicus.org

International Society for Third Sector Research Sixth International Conference

When: Toronto, Canada

Where: July 11-14 2004
Further Information: ISTR
Phone: +1 410 516 4870
Fax: +1410 516 4870
Email: istr@jhu.edu
Website: www.istr.org

Finding Out More

News and Views

Jack and Robert Smargon Families Foundation – page 5

For further information, contact Tamara Jenkins or Pippa Lord at Style Counsel:

Telephone: (03) 9529 4000

Email: tamara@stylecounsel.com.au

Email: pippa@stylecounsel.com.au

Survey of Trusts and Foundations – page 8

The full report on the survey results is now available on the Philanthropy Australia website at www.philanthropy.org.au

Ethical Investment – page 9

For a copy of the papers presented on this seminar, as well as a five-step guide on how to get started with ethical investment, please contact Jane Kenny at the Sydney office of Philanthropy Australia on (02) 9981 5599.

Canadian Study – page 9

To read this study in full, go to www.statcan.ca/cgi-bin/downpub/listpub.cgi?catno=75F0048MIE. It is also published in the Nonprofit and Voluntary Sector Quarterly, 30, 4 (December) 2001, pp.761-780.

Supporting Leadership Opportunities: A Report to the Disability Affinity Group – page 10

By Kelley Johnson, Patsie Frawley, Colin Hiscoe and Ria Strong, October 2002 is available in extended and Plain English versions. Contact Grant Hooper at Philanthropy Australia

John Gandel – page 11

John receives B'nai B'rith award – for further information contact B'nai B'rith on (03) 9527 8249.

Vale Ian Roach AO – page 16

Donations can be made to the Alfred Foundation on (03) 9276-3222 in memory of Leonard Ian Roach AO to fund the purchase of emergency equipment.

A Snapshot of Youth Philanthropy – page 18

For more information about how you can get young people involved in your organisation; or if you have an experience of working with young people to share contact Rebecca Gardner rebeccag@youngaustralians.org

For more information about MCFYP go to www.mcfyp.org

To join a newly formed discussion group about young people in philanthropy, send a blank email to youth-subscribe@members.philanthropy.org.au

Rebecca has completed an extensive literature review on young people in philanthropy. For anyone interested in further reading, please contact her on the above address, or at The Foundation for Young Australians on (03) 9670 5436.

Achieving 'Change not Charity': New Directions for The Reichstein Foundation – page 20

For further information visit the Reichstein website at www.reichstein.org.au

National Pro Bono Resource Centre – page 22

The White House, UNSW Sydney NSW 2052

Phone: (02) 9385 7381

Email: info@nationalprobono.org.au

Website: www.nationalprobono.org.au

The Second National Pro Bono Conference, 'Transforming Access to Justice' will be held 20-21 October at the Sydney Marriott Hotel. For more details and booking information, go to the National Pro Bono Resource Centre website, or call (02) 9385 7776.

Refugee and Asylum Seeker Issues – Reichstein Foundation Donor Forums – page 24

If you are interested to find out more about Refugee and Asylum Seeker issues or wish to go on our mail list for future forums, contact Christa Momot on (03) 9650 4400 or cmomot@reichstein.org.au

Corporate/Community Partnership – The Shopfront Youth Legal Centre – page 25

www.mission.com.au/cms/mbrace/appeals/index.asp?id=566

Nothing Ventured, Nothing Gained – Philanthropy Australia's Inaugural Conference Held in Sydney, March 2003 – page 26

The Proceedings are available online free of charge to all Philanthropy Australia members and to Conference delegates. Members can access individual Conference Papers from the Members Only section of our website – www.philanthropy.org.au/members/15-01-welcome.htm

They can be downloaded individually or as the complete Proceedings in a zipped file. Delegates can request papers via email to pa@philanthropy.org.au

The printed Proceedings, a 245 page, spiral bound edition, is now available for sale: members and delegates \$26.00, non-members \$55.00.

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