Philanthropy Australia

Australian Philanthropy

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Investing offshore: giving beyond our borders

***Australian Philanthropy* is the journal of Philanthropy Australia Inc.**

Philanthropy Australia is the national peak body for philanthropy and is a not-for-profit membership organisation. Our Members are trusts and foundations, families and individuals who want to make a difference through their own philanthropy and encourage others to become philanthropists.

Our vision
A giving and caring nation.

Our mission
To represent, grow and inspire an effective and robust philanthropic sector for the community.

Philanthropy
The planned and structured giving of money, time, information, goods and services, voice and influence to improve the wellbeing of humanity and the community.

Philanthropic sector
Trusts, foundations, organisations, families and individuals who engage in philanthropy.

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Front cover
Young boys in traditional dress enjoying festivities: Sean Sprague and Timor Leste, Caritas Australia.

Contents






From the President

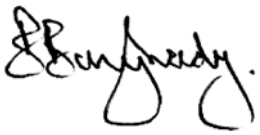
We live in a time when technology enables us to watch the aftermath of natural and man-made disasters unfolding live, and also provides tools for us to investigate, analyse and donate to relief efforts and charitable projects quickly and easily whether those organisations are on the other side of the world or in our own backyard. Indeed one might argue that technology has extended the boundaries of our own backyard to cover the entire world.

With these developments, Australians are increasingly coming to recognise themselves as global citizens. The Australian philanthropic sector is correspondingly expanding its reach and influence to beyond our borders more than it has ever done before. This is borne out by the findings of the *2010 Philanthropy Australia Members Survey*, indicating that 16.5 per cent of respondents grant to overseas projects – double the amount of overseas granting reported in the *2003 Members Survey*.

The spotlight has also been thrown on international giving in the mainstream, particularly by publications such as Peter Singer's *The Life You Can Save* which argues that all giving by Western countries should be directed at the developing world where the need is greatest.

At the same time, there are still clear barriers to international giving, particularly by established trusts and foundations, in the form of tax disincentives, a lack of appropriate legal structures, and a sense of being overwhelmed at the massive scale of the problems of poverty and disadvantage on a global scale. It is no surprise that philanthropically minded individuals and organisations are seeking new models for offshore giving.

It is five years since *Australian Philanthropy* last visited the issue of international giving. It is timely that we revisit this issue now, particularly in the light of the recent disasters which have destroyed lives, livelihoods and property in New Zealand and Japan. This issue provides an important opportunity to examine our progress so far, and what our next steps down this road might be.



Bruce Bonyhady AM, President

From the CEO

No matter where in the world your philanthropic work takes place, this is an exciting and dynamic time to be involved in social investment. One of the most useful pieces of knowledge we now possess about this work is how many problems need investments of time, skills and professional knowledge in addition to funds in order for strong, lasting progress to take place.

Redistributing resources and addressing imbalances in order to make the world a fairer, more compassionate place is no small or easy task. The engagement, relationships and trust required all involve huge commitments of energy, time and dedication in addition to the monetary aspect of philanthropy. The individuals and organisations featured in this edition of *Australian Philanthropy* are facing the global challenge with intelligence and bravery.

John Winkett of Charities Aid Foundation Australia explains what role international giving has played in the history of philanthropy in Australia, while Jack de Groot of Caritas Australia reminds us of the need to communicate and forge partnerships with those who are within the communities we seek to help.

Microfinance has become a contentious issue within conversations around international giving, and Calum Scott of Opportunity International Australia presents a frank examination of what's necessary if we want this model to live up to its potential as a social investment tool.

Jenny Geale, Jennie Orchard and Colleen Zurowski of Room to Read offer insight into the challenges and solutions involved in building educational infrastructure in the developing world.

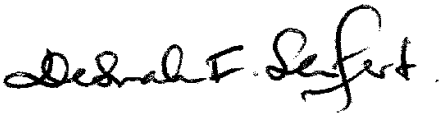
This edition of *Australian Philanthropy* includes interviews with Mark Cubit and Craig Spence, each of whom articulates their passions and the lessons they have learnt through international giving with an honesty and vivacity that is a joy to read.

Rikki Andrews and Dr Christopher Baker from the Asia-Pacific Centre for Social Investment and Philanthropy share their research on diaspora philanthropy and examine the part that a sense of connection plays in our giving choices.

The role that philanthropy can fulfil in vital international development work is the subject looked at by Peter Baxter of AusAID.

Christine Edwards of The Myer Foundation and the Sidney Myer Fund traces the history and motivations behind those organisations' involvement in the Asia Pacific region, while Phil Hayes-St Clair of HSC & Company offers advice and knowledge that he's gained from his own experiences.

This edition of *Australian Philanthropy* is a collection of diverse voices engaged in discussing a common theme, and I am sure that readers will gain as much from the wisdom and knowledge shared as I have.



Deborah Seifert, CEO

An Introductory Guide to Grantmaking launched

Philanthropy Australia launched *An Introductory Guide to Grantmaking* in December. Generously funded by the Westpac Foundation, this free downloadable Guide is written expressly for people who are new to grantmaking and will be involved directly with the process of assessing applications and making grants. It provides an overview of areas such as the role of grantmakers, working practices and cycles, assessing applications and communication tools. Information on further resources is also provided. The Guide can be downloaded from www.philanthropy.org.au

Landmark High Court decision on charities and advocacy

In a landmark decision, the High Court has secured the charitable status of activist group Aid/Watch, which had been repealed by the ATO due to its lobbying activities.

Aid/Watch, an independent monitor of Australia's aid and trade, argued that generating public debate and advocating for policy change, while political activity, is providing a public benefit. Five of the seven High Court judges agreed that public debate on the efficiency of foreign aid directed towards poverty relief was a purpose beneficial to the community.

This is hailed as a significant win for Australian charities who engage in advocacy and lobbying activity.

Representation

Philanthropy Australia, in consultation with Members, has been busy with policy submissions in response to a number of Treasury inquiries. These include a response to the Discussion Paper *Improving the Integrity of Public Ancillary Funds* which was provided to Treasury in December 2010. Following this, Treasury contacted Philanthropy Australia asking for further information on the costs of operating a Public Ancillary Fund (PuAF), particularly on how those costs differ from the costs to operate a Private Ancillary Fund (PAF).

Philanthropy Australia also made a brief submission in response to the Treasury consultation paper, *Scoping Study for a national not-for-profit regulator*. Building on the findings of the Productivity Commission report into the contribution of the not-for-profit sector, the paper sought comment on the goals and scope of national regulation of the not-for-profit sector, as well as the functions and form of a national regulator.

Philanthropy Australia's submissions are available for download from www.philanthropy.org.au

Leadership changes in the sector

The Foundation for Rural and Regional Renewal has announced the appointment of Alexandra Gartmann as Chief Executive Officer, commencing on 1 April 2011. Alexandra has promoted sustainable growth in agricultural production in her role as CEO of the Birchip Cropping Group over the past nine and a half years. She has also been a Board Member of the Rural Finance Corporation, the Australian Landcare Council and the Regional Telecommunications Independent Review Committee, and chaired the CSIRO Sustainable Agriculture Flagship Advisory Council.

The Lord Mayor's Charitable Foundation has announced the appointment of Mr Robert Masters as Chairman to the Lord Mayor's Charitable Foundation Board of Management. Mr Masters first joined the Foundation's Board of Management in 2006 and was appointed Deputy Chairman in 2009. The Director of Robert Masters and Associates, one of Australia's leading and award-winning strategic public relations agencies, Mr Masters was a senior political journalist for 11 years before entering public relations. He is a Fellow and a past national President of the Public Relations Institute of Australia and reviews Deakin University's public relations courses.

Andrew Brookes has been appointed as Chief Executive of the Helen Macpherson Smith Trust. Andrew will of course be known to many Members as the Executive Officer of Colonial Foundation for over 10 years. He joined the Helen Macpherson Smith Trust in February 2011.

The Gardiner Foundation has appointed Mr Mike Taylor as its new Chairman. He will be joined on the Foundation's Board by two new Directors, Mr Barry Irvin and Mr Michael Carroll. The Inaugural Chairman, Chris Nixon, and Director Ian Macaulay retire as Directors of the Foundation after 10 years of distinguished service.

An insight into international giving

By **John Winkett**, Senior Manager, Asia, Charities Aid Foundation Australia.

In early February of 2011, Opposition Leader Tony Abbott remarked that "charity begins at home". In the *Melbourne Age*, on Friday 11 February, Stan Van Hooft offered this reply: "Charity knows no borders or boundaries. Charity requires that we should help anyone who is in need simply because they are a human being".

International giving has long been supported by Australians, but there was greater emphasis in the late 1960s as a result of the genocide in Biafra. Again in 1984 the famine in Ethiopia raised the awareness of desperate needs to Australians. It was about this time that the major overseas aid agencies began to receive increased support from the Australian community.

"Charity knows no borders or boundaries. Charity requires that we should help anyone who is in need simply because they are a human being."

By the end of the 20th century international individual giving was well established. In the early 2000s a new type of grantmaker began to emerge. They have been referred to as Philanthro-Capitalists. Essentially they are high net worth individuals (HNWIs) who have a passion and a desire to make a difference. They are people who want to become engaged and to make their philanthropy more effective, more strategic and more satisfying.

Around this time a number of studies were undertaken to look at strategies of HNWIs engaged in international giving.

Of particular interest was the one by Madden, Kym M (2002) *Study of the financial adviser's role in philanthropy*. ACPNS Working Paper 25, Brisbane: Centre of Philanthropy and Nonprofit Studies. This stated that professional advisers to high net worth clients rarely assisted clients with their philanthropic interests.

A follow up study was conducted in 2006 by Madden K and Newton C (2006) *Is the Tide Turning? Professional Advisers' Willingness to Advise About Philanthropy,* ACPNS Working Paper 30. Brisbane: Centre of Philanthropy and Nonprofit Studies. This inferred that the tide was turning. Advisers were beginning to understand that they did have a role in advising clients on philanthropy.

However the study also found that at that time there was no advisory group in Australia that specialised in providing expert advice on philanthropic decisions.

More research is currently being undertaken and their website is well worth looking at: www.bus.qut.edu.au/cpns/research

By 2002 the phenomenon of intergenerational transfer of wealth had become a major factor in international grantmaking both in Australia and globally.

In the US alone this wealth is estimated to be between $40 and $135 trillion US dollars over the next 50 years. Most observers believe that a significant percentage of this will become philanthropic capital. These are staggering amounts of money and we could be seeing the creation of a form of generosity that will rival the likes of Carnegie, the Rockefellers and Fords.

There has also been tremendous growth in the Asia Pacific rim with the number of HNWIs increasing every year. Interesting to note that this growth is happening in a region where there is still devastating poverty and inequity.

The population of HNWIs in the Asia Pacific was estimated to be three million in 2009, matching that of Europe for the first time. The wealth rose by 31 per cent to $9.7 trillion dollars. However this wealth has not been evenly distributed and more than 600 million people coexist in poverty alongside these wealthy people.

A Japanese donor meets with children from a Burmese school on the Thai border.

Unfortunately there seems to be a reluctance for HNWIs in Australia to follow the lead of their peers in Europe, the US and Asia. This is borne out by findings in the research carried out by Madden K and Scaife W (2008) *Good Times and Philanthropy: Giving by Australia's Affluent*. This found that despite some superlative yet isolated examples, there is little evidence that Australia's ultra-rich and ultra-ultra rich are giving at the same rate as their counterparts overseas.

It should be acknowledged that this study and research covers giving in Australia as well as international giving. Despite the generosity of many Australians domestic giving far exceeds overseas giving.

The research identified 12 standout opportunities not only to encourage but to facilitate giving, one of which was 'to promote and train professional advisers about providing philanthropic advice to match clients' circumstances to the most suitable giving vehicles or options'.

Charities Aid Foundation (CAF) has been active in international giving for over 10 years through offices in the UK and the US. More recently our office in Australia has developed some strategic relationships with HNWIs in the Asia region particularly in Japan, Hong Kong, Singapore and Indonesia.

There are a number of other organisations that are looking at ways to encourage international giving, notably the Women Moving Millions movement, The Family Business network and the Australian Women's Donor network.

Whilst there is no doubt that the global financial crisis had an effect on the funds available from HNWIs there is a growing sense that this market is now gathering pace.

It is clear that HNWIs have very significant funds available and if these funds can be harnessed and managed appropriately, then major improvements in the lives of the poor can be achieved.

"In 2009 CAF distributed $40 million through international giving managed by our offices in the UK, US and Australia."

How does cross border giving work?

In the past HNWIs have simply selected a cause and then found an organisation that was working in that sector and country. They then sent the money and hoped that it would all work out for the best. In many instances that was the case but I suspect that there have been many cases where it became very problematic.

In 2009 CAF distributed $40 million through international giving managed by our offices in the UK, US and Australia. The development of our international capabilities has helped companies as well as HNWIs to achieve a wider range of charitable aims around the world, particularly in emerging economies.

With the ever present threats of terrorism, money laundering and drug running, cross border giving is not as simple as it used to be. It is for this reason that it is highly desirable to use an advisory service. The key elements of a philanthropy advisory service are:

- Project identification and research
- Due diligence on project organisation and donor
- Project planning and implementation
- Management of donor funds
- Project monitoring and reporting
- Involving donors at a personal level

Project concept papers should be prepared to give donors an understanding of not-for-profit projects that are available for funding. These papers outline a description of the project, the beneficiaries, project duration, grant amount sought and targeted outcomes.

Due diligence is the most important component of the services needed. There are now so many international regulations that relate to the transfer of funds overseas that the most rigorous process needs to be implemented to protect the client and minimise the risk to all parties. Everyone who wishes to transfer funds overseas is legally bound by these requirements. It is important to the success of the partnership that rigorous due diligence is conducted on the charity to confirm that it is an appropriate organisation that is well managed and has the capacity to deliver its program and project objectives.

Due diligence is also required on the donor.

Once a donor has identified a project that they wish to support, a full proposal should be prepared for their consideration. Once agreed the process is ratified by an exchange of agreements between the donor and the advisory service and the project. Roles and responsibilities will also be agreed between the parties.

Donor's funds must be held in trust and arrangements should be made for the secure transfer of the funds to the agreed projects as required. Assistance could also be given to donors who are seeking tax deductions in Australia and also advice through UK or US offices if appropriate.

Regular contact should be maintained with the local charity and production of brief quarterly updates and more detailed six monthly and annual reports should be mandatory. These reports could be supplied for independent review and once approved could then be provided to the donor.

Arrangements can be made in some circumstances for donors to visit projects to gain greater insight to the needs of the community and how the funding is spent. However not all projects are suitable for visits.

It is important to work very closely with the donors, their financial advisers and the nominated charity in order to develop a strong mutual partnership. International giving is now more complex than in the past but by utilising the services of an adviser who specialises in philanthropy the risks can be minimised to ensure a successful outcome for the donor.

CAF has the case histories of many successful cross border investments from generous donors. The collated knowledge and experience has brought improved health, development and happiness to so many people in need and proves that while charity may begin at home its impact is where it is best directed and most needed. ■

For more information about Charities Aid Foundation Australia please visit http://cafaustralia.org.au

International development and the role of philanthropy

This article is based on a speech given by the Director General of AusAID, **Peter Baxter**, to the Myer Family Company Philanthropic Services Client Forum in Melbourne 27 October 2010.

Global poverty reduction is complex. Governments and international organisations can do much to alleviate poverty but other players can also contribute. In this article, Peter Baxter, the Director General of AusAID, the Australian Government's lead agency with responsibility for international aid and development, looks at how the Government and the philanthropic sector might work more closely together to reduce poverty. It also provides a background on the Millennium Development Goals and why successive Australian governments have invested strongly in the aid program.

Why the Australian Government gives aid

There are two enduring reasons why successive Australian governments have supported an overseas aid program. The first relates to core Australian values of helping those less fortunate than ourselves. The Australian aid program reflects these values and focuses on alleviating poverty and promoting sustainable development. For decades Australian governments have readily accepted a moral obligation to alleviate poverty and promote sustainable development in developing countries. It is also an acknowledgement that if we do not deal with the problems of poverty, conflict, climate change and infectious disease faced by developing countries today, we will pay more in the future dealing with the consequences.

The Government views the overseas aid program as a central part of what makes Australia a 'good international citizen' and has made a commitment to increase aid to 0.5 per cent of gross national income by 2015. That is moving from the current level of 33 cents for every 100 dollars we produce as a nation to 50 cents in every 100 dollars. Achieving this increase will see Australia placed just above the OECD average for donor countries (0.48 per cent) and consistent with our place as the world's 13th biggest economy (excluding the European Union).

The need for overseas aid is high. At present, more than one billion people live in extreme poverty on less than US$1.25 a day. Two-thirds of them are in Asia and the Pacific. Furthermore, more than two billion people – including 110 million in Indonesia – live on less than US$2 a day. Around 24,000 children die each day from preventable causes. More than 300,000 women die each year from complications during pregnancy or childbirth, with a woman in Papua New Guinea 80 times more likely to die from pregnancy or childbirth than an Australian woman. One billion people go hungry every day. And 69 million school age children never get the opportunity to go to primary school, representing a major lost opportunity to improve the incomes and health of families.

This level of need draws a strong response from the Australian public. Each year, of their own free will, individual Australians and philanthropic foundations give about $800 million in private donations to non-government international aid organisations. This is in addition to the money they give to domestic charities.

While the moral case is strong in itself, providing overseas aid is also in Australia's national interest. Australia's peace and prosperity is linked to that of our neighbours, from both security and economic perspectives. Australia is unique as a major aid donor in that 18 of our 20 closest neighbours are developing countries, many of which are fragile.

> **"Strengthening the ability of our immediate neighbours to manage transnational crime, terrorism and illegal people movement, and to respond to outbreaks of infectious disease, is not only vital for their own development, but is also in Australia's national interest."**

From a security perspective, there are many problems that have impacts across borders. Strengthening the ability of our immediate neighbours to manage transnational crime, terrorism and illegal people movement, and to respond to outbreaks of infectious disease, is not only vital for their own development, but is also in Australia's national interest.

It is also in Australia's interest to be part of a region of strong economic growth. Strong economies provide greater security and also provide a larger regional marketplace in which Australia might trade and invest. The aid program recognises that the alleviation of poverty and improvements in living standards will only be possible by promoting sustainable economic growth.

The Millennium Development Goals

The Millennium Development Goals arose out of the UN Millennium Summit in 2000. They are a set of targets, agreed by the international community, aimed at the target of halving the proportion of the world's population living in extreme poverty between 1990 and 2015 by improving education, health, and the equality of women and girls. The Millennium Development

Goals are the most comprehensive targets adopted by the international community to measure the effectiveness of efforts to alleviate poverty and promote equitable and sustainable development.

Since 1990 hundreds of millions of people have been lifted out of poverty, and despite the economic setbacks of the last few years, the world as a whole is on track to halve global poverty by 2015.

On the less positive side, the world is still falling short in a number of areas including maternal health and child nutrition, gender equality, school enrolment and completion, and access to sanitation services. Many of the 49 least-developed countries, including five in the Pacific Islands regions, have made little progress in these areas since 1990 and some are going backwards.

The Millennium Development Goals are strongly reflected in the structure of Australia's aid program through our investments in education, health, water and sanitation, rural development and the environment.

However AusAID does not have a monopoly in international development, nor should it. Organisations such as World Vision and Oxfam are very well-known and active in international aid and development, and AusAID works closely with NGOs such as these. There is more than enough room in the aid arena for other players, including the philanthropic sector.

AusAID and philanthropy

Philanthropy is becoming a more prominent feature of international efforts to reduce poverty and promote sustainable economic development. It is estimated that philanthropic giving, from non-governmental organisations, foundations and charities in the United States contributed almost US$37 billion to development causes in 2007. Some of the 'mega' charities and transnational development NGOs now have larger international development assistance budgets than many bilateral government donors. The Australian Government's official aid budget in 2007 was $3.2 million. Putting this in perspective, it is estimated by the Hudson Institute that global philanthropy, remittances, and private capital investment accounts for 75 per cent of the developed world's economic dealings with developing countries – Government aid accounts for 25 per cent.

Philanthropic support for international development is significant, and as the philanthropic sector in Australia grows and diversifies, it is likely to increase investment in international development. AusAID and philanthropic organisations therefore have a common interest in determining how to allocate their finite resources for the greatest development dividend. AusAID welcomes the opportunity to collaborate with philanthropic institutions and is increasingly doing so.

Internationally, AusAID is already working closely with the Bill and Melinda Gates Foundation on financing for women's and children's health and agricultural research, and also with the Clinton Foundation on financing for the prevention and treatment of HIV/AIDS.

In Vietnam, AusAID and Atlantic Philanthropies are working together with the University of Melbourne on a national taskforce on community mental health program in Vietnam.

In Australia, AusAID and the Myer Foundation are jointly supporting the BRIDGE (Building Relationships through Intercultural Dialogue and Growing Engagement) project which links Australian and Indonesian teachers through their schools and communities, benefitting 90,000 students in Australia and Indonesia, fostering a better understanding and knowledge about Islam in Australia. It is a successful example of the Australian Government working with the private sector and communities to deliver education benefits to thousands of teachers and students in Australia and Indonesia.

Many Australian NGOs have close working relationships with AusAID. Australian NGOs deliver 11.1 per cent of the AusAID's budget, and AusAID's knowledge of NGOs, and the systems AusAID uses to assess and support them, might be very useful to philanthropic organisations seeking to invest in international development.

AusAID has a particular relationship with a group of 42 Australian NGOs who have passed our rigorous accreditation processes. AusAID is also building strong relationships with what might be termed multi-national NGOs such as The Asia Foundation and The Nature Conservancy, and with locally-based NGOs in many of the countries where we work.

AusAID's knowledge of NGOs, combined with an understanding of the challenges facing developing countries, based in part on our presence in some 30 developing countries around the world, constitutes a valuable resource for philanthropic organisations wanting to make strategic choices about where to invest, and in what. We welcome the opportunity to build on our existing relationships with philanthropic organisations. AusAID's program may be large but, like any organisation, we have to make difficult choices in allocating scarce resources, so there are many gaps to be filled. Private donors can not only help fill these gaps but, being less bound to tried and tested approaches, can do so in new and creative ways.

It is my hope that AusAID and the philanthropic sector cooperate more closely in the years ahead, whether through the sector's peak body, Philanthropy Australia or through talks between AusAID and individual organisations. ■

Australian Government
AusAID

Myer Family Philanthropy: a focus on the Asia Pacific region

By **Christine Edwards**, Chief Executive Officer, Sidney Myer Fund and The Myer Foundation.

Australia's position in relation to the Asia Pacific region has been of much interest to Myer Family Philanthropy for over 50 years. There have been considerable initiatives, people and organisations supported in this period, and the amount granted would be many millions of dollars.

Looking back over historical references[1] it is interesting to see that a specific policy decision made at that early time stands true for today, continuing to guide our giving in a time that is far removed from the issues of the 1960s.

In the 1960s, one of the earliest grants in this area was the Asian Fellowships scheme. This was established to provide opportunities for social science and humanitarian graduates to travel to Asia to further their studies. This was the first major program specifically directed to improving peoples' understanding of issues in the region. But it could only assist a few people at a time and much debate centred on how to maximise the impact of comparatively small resources.

In the 1960s and within the first years of the founding of the Foundation, a policy decision was made to focus funding on activity that supported efforts in the region, but that was Australian based. This has had far reaching consequences for the initiatives that we have since developed and supported.

Predominantly, with a few exceptions, our funding has been used to leverage impact by supporting people and organisations in Australia to make substantial impact in the region. For example, the Foundation was instrumental in the establishment of the Australian Council for Overseas Aid, following the creation of a conference of Australian aid organisations.

Our funding has also been used to leverage support from other sources, and significant grants have been made in partnership with the Commonwealth Government, for example: the BRIDGE Project which creates exchanges of teachers between Australia and Indonesia received considerable interest from the Commonwealth Government, followed by their financial support. The partnership has been strong from both sides.

Without doubt, the most significant and enduring initiative has been the creation and support of Asialink, now within the University of Melbourne. As the world witnessed the collapse of major political structures and institutions in the 1980s, the Foundation debated how it could better understand and support relationships between Australians and people living in the Asia Pacific region. This led to the idea that the Foundation should establish an institution whose goal was to deepen Australians' understanding of, and relationships with, people in the region. Asialink is now a pivotal organisation in the country's diplomatic, political and cultural relationships in the region.

The formal funding program of 'Beyond Australia' was established in 1997, and this program, together with the committee that was created to guide its giving, recommitted to funding local initiatives that focused on the region. Since then programs have been diverse and have included international residencies for community organisation staff, overseas placements of journalists, cultural exchanges, inter-country dialogues, conferences, convenings of multi-cultural and faith groups, and diplomacy training. The program continues to this day.

There would hardly be a person unmoved by the frightening events of the Asian tsunami in the last days of 2004. As the tragedy unfolded, Directors of the Foundation worked with staff to identify whether to support recovery efforts, and if so, where and how.

Using a set of guiding principles created by the Council on Foundations, we determined we would provide support that would focus on longer term recovery, and we would find projects that would have an enduring impact. After research and discussions, it was agreed we would support two initiatives that were considered to meet these criteria: a program in Thailand to create curriculum materials for primary school children that included water safety skills; and the creation of a new cohort of tertiary educated students who were trained in research techniques and methodologies.

Giving within Australia, to make a difference internationally, is not difficult to do when organisations demonstrate how professional they are. It is a common experience in philanthropy that where you find good people, you back them. This has been the case in our support for many Australian-based organisations including the Lowy Institute for International Policy, and the International Women's Development Agency. They are good examples of how philanthropy supports people who are knowledgeable and informed about the issues in the region, have strong networks on the ground to expand the spread of their work, and work in partnership to create broad impact and better take-up of policy and services.

Overseas giving can be fraught with difficulties and to give directly to overseas projects requires a level of resources and expertise that most foundations do not have. Our approach continues to be to work with people who do have the expertise and networks, and to place our support with them and their organisations. And our focus continues to be on the Asia Pacific region given our close geographical relationships and the implications of these on our shared cultural, economic, environmental and political interests. ■

THE MYER FOUNDATION

1. Liffman, Michael 2004, A Tradition of Giving: Seventy-Five Years of Myer Family Philanthropy, Melbourne University Press.

Mark Cubit

Since leaving the finance industry in 2003, **Mark Cubit** has worked with organisations including The Smith Family, the Planet Wheeler Foundation, and the Cubit Family Foundation. During this time, his philanthropic work has increasingly focused on international projects. Mark spoke to *Australian Philanthropy's* editor **Mary Borsellino** about what motivates and shapes his overseas social investment work.

Was there a catalyst which made you shift from local to global in your giving?

It was being exposed to both local and international projects and finding that the need was far greater offshore. I think most Australians have access to food, water and shelter but even those basic amenities are not being provided overseas. And there's the self-interest as well: I find the offshore giving is just more fascinating, more interesting, more challenging and the signs of progress are far more obvious.

Are your family involved in your international philanthropy?

My wife takes an active interest and my children have visited projects with us. The kids still say their best holiday ever was the school in Tanzania that we visited. There's 1,500 kids there, you can have a discussion with any of them in English. The noise in the playground is way above that in any other African school I've been in – which is great but also sad because it makes you think 'why are the kids so quiet in other schools?'. It makes you think they're probably lacking in energy. Is it that they haven't been fed as well, that they're not inspired, that there's no play equipment?

Does the magnitude of the need in the world become overwhelming when you're doing overseas aid? Do you ever feel that it's just so much?

Never, because you can only do what you can do. We're very aware that we're only a drop in the ocean in terms of providing resources to solve the world's problems. I often think that if one person in Australia can save two people's lives overseas in their lifetime then maybe you've delivered on what you should for caring for mankind.

I believe we need to help when countries or areas or systems are on the up, to speed up the acceleration. We're very aware that we're only helping out in the interim until economic development can take root in that country and move it up, like what's happening in China and India now. We're just trying to hold the line, to get things catalysed, to get things started until that day.

What kind of deciding criteria do you use when you decide to fund overseas?

Personally, I find it rewarding to contribute to grassroots, on the ground organisations that are capably managed by inspiring individuals. I find that more personally rewarding, and believe it's more effective.

Thousands of children turn up at the gates hoping they meet the selective criteria to start at St Jude's. Sadly we can't accept everyone, so when a student and their family are told 'yes', the delight is obvious.

Rather than seeing a project and saying 'here's a donation', the first question should be 'what do you need?' or 'do you need backing?' We look at numbers, because we've come across great projects, magnificent projects where you look at the finances of the organisation and they're quite well off. Trust is a big factor, of course. You have to trust the person running the project – that's often the founder. An inspirational founder seems to be fairly key in leading us to support projects.

How do you find the projects you contribute to?

Reading, talking. Everyone that you ever meet in the space, you always ask what they're funding. If it's projects you're visiting, ask what else is in the area. There's a marvellous array of Australians out there doing amazing things and who are contactable by phone or email.

With the Planet Wheeler Foundation, there's also just a long history of offshore giving by Maureen and Tony Wheeler of over 30 years, overlaid with all the Lonely Planet authors wandering around the world who recommend projects to the Planet Wheeler Foundation, so we get a lot of idea flow like that. Sitting in front of the PC and using Google is incredibly useful. There are approximately 200 funds approved by the Overseas Aid Gift Deduction Scheme (OAGDS) for offshore giving so that list is accessible. You can scan down through that list and look at whatever interests you. There are organisations like the Australian Foundation for the Peoples of Asia and the Pacific (AFAP) in Sydney who support about 50 or 60 projects.

There's Global Development Group in Brisbane who support about 250 different projects. There's the Entrust Foundation website which particularly makes it easy to support grassroots projects the Planet Wheeler website which lists 60 projects which it supports. There's plenty of lists that one can refer to and see what interests you. It's important as a donor that what you're funding is a need that you think needs addressing and that you're passionate about.

Is it harder to share knowledge when the variables are broadened to a global scale?

Information flow can be challenging. Because of the nature of the developing world, you can be in Cambodia and someone running a water project in one village will know nothing about another water project that could be 20 kilometres away.

We're always on the look out to find other Australian donors in the offshore space to compare notes. And we do project visits. We pick up the telephone and talk to them, and we expect six month reporting on funding – if not more often for larger projects.

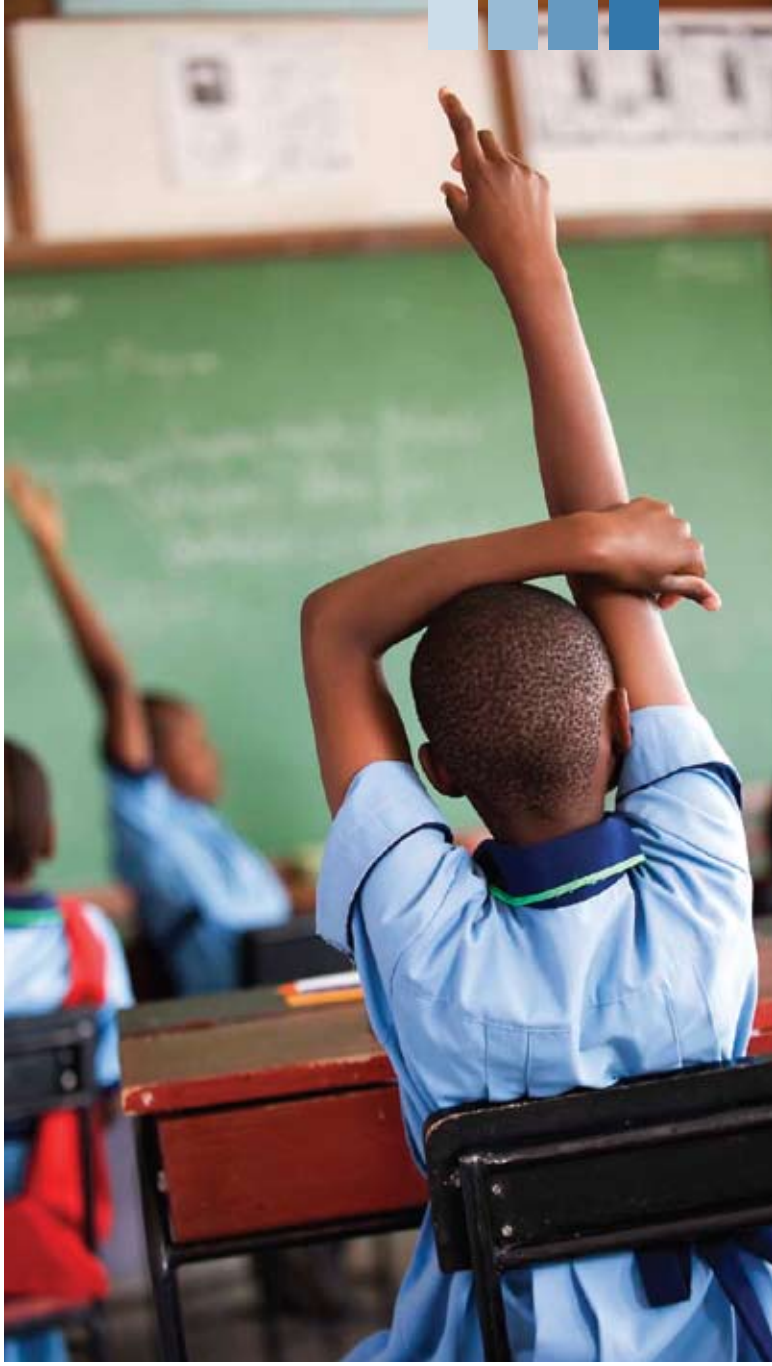
We are happy to give advice where we've found we can on – for example – fundraising, or more legal structuring of the project, and those sort of areas.

But invariably once a donor starts meddling in the actual day-to-day functioning of the project, that's where they've clearly overstepped the mark. And they'll find that the advice is often useless, because they have no feeling for the cultural setting for the project. The unfortunate outcome is the recipients can feel obliged to accept your advice because you're the donor.

If you don't have the locals on board with what's happening you'll spend your money, you'll get your report, you'll sail off into the sunset and everything will go back to where it was before. One example of that was Afghanistan. People on the ground in Afghanistan tell us that when a donor confers with a community about a school, and a building is built, that is a school. When a foreign army sends its engineers into a town to build a school, that is a target. That's a horrifying distinction, but it's very real.

Look at the way Westerners are setting up orphanages all around the world, to help the children in places where there's a very strong culture of the village raising the child. We've visited many orphanages and nearly every orphanage that exists achieves wonderful things: giving the children better education, better health, better nutrition than they get with their family. But to the extent that an orphanage is run by outsiders to the country… it doesn't make those children a stolen generation but it makes it a seduced generation, to me.

I think that that whole problem is a general perception in the world among some people that people of other cultures in some way need to be liberated from their culture in order to save their lives.



There are clever ways of liberating them from their culture, if we're going to use that very apt phrase. We funded a water project in a very, very dry part of Kenya, and the Masai nomads considerably curtailed their nomadic movements because they had only been travelling long distances to water and feed their cows.

"Because of the nature of the developing world, you can be in Cambodia and someone running a water project in one village will know nothing about another water project that could be 20 kilometres away."

Once water was provided, they reduced that nomadic existence. Their children started going to school. And that was a wonderful outcome. Whereas if you had just come along and mandated it, if you'd introduced a law that 'Masai children must go to school', they would have resisted that because they need to travel.

So there's other ways: just offering choice, provide them with water and as the logical extension of that they'll say 'oh, water, let's settle around here'.

You just always have to have local Indigenous input into what's going on, because you have no idea how badly wrong you can get it if you don't. There's a hospital in Cambodia built with no local input, and the reason it couldn't attract local patients was that the building looked so opulent that the locals wouldn't believe that they could get free healthcare there.

Are your margins for risk higher in overseas giving?

Funders worrying about the trust factor is probably why our offshore giving is so meagre – Prescribed Private Funds as they were in 2007 only gave 5.2 per cent of their funds to offshore projects (most recently available statistics). I guess funders fear that their money might be wasted, stolen or just not effective at the end of the day. If that was the case with every one of 10 projects that you participate in overseas, you'd compare the 10 per cent risk of failure or fraud with the 30 per cent administration costs of an Australian based project. That's how I'd compare the two.

I think you just have to acknowledge there is a greater risk with overseas projects but that doesn't necessarily mean your outcomes will be worse than a similar project in Australia. You spread your risks. I would never advocate that someone put all their funding into one overseas project. Share it around… and maybe share more than 5.2 per cent. ■

Connections count: the potential of diaspora philanthropy

By **Rikki Andrews** and **Christopher Baker**, Asia-Pacific Centre for Social Investment and Philanthropy.

Rikki Andrews

Christopher Baker

Diaspora has been an area of recent international academic interest. Diaspora is a term originally used to describe the Jews exiled from Babylon in the sixth century, but is now commonly used in reference to other peoples who have settled far from their ancestral homelands. Diaspora philanthropy encompasses giving by members of diaspora communities to their community of origin, or 'homeland', for projects of public benefit. Such projects include building and/or funding support for schools, churches and other development activities – as has been most frequently observed in the United States within the Hispanic, Pilipino, Jewish and Irish communities.

Our global society encourages and enables greater migration between nations. Modern technology allows regular and instantaneous communication and connection with family and friends 'back home'. Over 200 years of immigration and settlement by non-Indigenous groups, Australia has developed into the multi-cultural society of today. In 2008 the Australian Bureau of Statistics reported that over one quarter of Australians were born overseas[1]: 5.5 million people from over 200 countries. So to what extent has the phenomenon of diaspora philanthropy been observed here?

Australian giving to the international community

In 2010 the Asia-Pacific Centre for Social Investment and Philanthropy (APCSIP) instigated a baseline research project to examine what documented evidence could be found of the existence and extent of diaspora philanthropy within Australia. An initial step was to source data related to overseas giving in order to demonstrate that Australians have a significant interest in philanthropic support for international projects and organisations. Philanthropic data is notoriously thin and in this area one of the few sources of information is the 2005 *Giving Australia*[2] report which found:

- 25 per cent of Australians surveyed give to Overseas (OS) Aid and development;
- OS Aid and development received the third highest average gift, after 'religious' and 'other' (everything else) categories; and
- OS Aid and development received 13 per cent of all dollars donated by Australians.

Similarly, the most recent analysis of Private Ancillary Fund (PAF) data by Professor Myles McGregor-Lowndes at Queensland University of Technology found that since inception in 2001 up until June 2008, PAFs had distributed almost $31 million to 'international affairs' (nearly 7 per cent of the total $447 million distributed by PAFs to eligible organisations).[3] Philanthropy Australia's own 2010 Member Survey indicates that international grantmaking is not a focus for those that responded – of course many charitable trusts are legally limited to give within Australia. None of these sources of data on overseas giving by Australians however provide any insight into whether donations and grants made outside of this country have been an act of diaspora philanthropy, or whether they have been made by individuals and groups without diaspora or 'homeland' connection to recipient communities, but made for example in response to particular appeals or disasters.

Affiliation

The *Giving Australia* report did note that 'affiliation' (such as being a member, volunteer or user) to a cause, strengthens giving. As is broadly the case with other non-profit causes, affiliated donors did give a higher mean donation to international aid/overseas development. The report also observes that giving by people of culturally diverse backgrounds can focus on family and community networks within and beyond Australia, but that these forms of giving may not have been adequately recorded. Given the large proportion of overseas-born Australians and the continuous replenishment of their numbers, while the data is thin, there is plenty of anecdotal evidence to support the view that in many instances the strong affiliation of newer Australians to their community of origin will result in at least some of their giving being directed back there.

Do diaspora members give?

Given a general dearth of data, the APCSIP study moved to try and gain insights from a range of other less quantitative sources – via related desktop research and via interviews with a small sample of diaspora

community members. It is well-noted that in Australia there are many examples of diaspora representatives who have been very successful in their chosen fields and achieved related success in economic terms. Some have been very financially successful indeed. In 2010, 77 out of the BRW listing of Australia's wealthiest 200 were individuals born outside of Australia. This is more than a third of Australia's wealthiest individuals. The proportion is even higher when we look to this country's ultra-wealthy; two out of the five wealthiest individuals were non-Australian born. So at least for some, there is considerable capacity to give.

However, the extent to which diaspora members who acquire such significant material wealth do in fact give, whether back to their community of origin, or in their country of settlement, is not known. What is known is that many of the large philanthropic foundations in Australia have been established by members of the Jewish diaspora (including Gandel, Myer, Pratt and Smorgon). While, in general, many of the foundations established by Jewish philanthropists give primarily to causes and institutions within Australia, many also direct some of their donations to Jewish diaspora causes beyond Australia and to the specific country of their birth. These very wealthy and generous individuals are indicative of many diasporic donors who demonstrate a philanthropic philosophy which commits the giving of diaspora members to extend to also giving outside of their own group. There are however no predetermined proportions. How much is given within the donor's own diaspora community, compared to outside that group, is far from standard.

One size fits all?

The interviews conducted as part of the APCSIP study included a range of representatives from the Chinese, Italian and Vietnamese communities. The conduct of these interviews served to confirm that a difficulty in assessing and understanding diaspora philanthropy comes with acknowledging that migrants to Australia are not merely from a variety of ethnic backgrounds but from a broad range of nations as well. For example the Chinese diaspora is in itself as diverse as it is vast. Ethnic-Chinese migrants may come from wealthier urban origins or from poorer rural settings. They may migrate from countries such as Singapore, Hong Kong and of late Malaysia; or they may come from within mainland China. Mainland China is itself vast and migrants may come from areas as different as Mongolia and Tibet, to regions of the North and the South. The significance of this diversity for diaspora philanthropy includes that those who have left wealthier communities may not feel the need to give back, and migrants from poorer origins could be expected to be more interested in giving to address needs in their own community of origin. Further, people will often be more interested in their own region and have little affiliation with regions physically or culturally remote from their own, even if it is within the same country. By way of an example, people who migrated from Northern China may have little interest in supporting projects in Mongolia.

This notion of regionality is of course not confined to China and applies to many nations and ethnic groups. Discussions with wealthy individuals and community representatives of Italian origin also illustrated that many migrants have close ties to the region or village of their own origin and less so to Italy (unified in 1861) as a whole. This regionality applies even in the case of disaster response, as demonstrated by the support for the Abruzzo earthquake appeal in 2009, where the majority of the support from the Italian community in Melbourne came specifically from those who migrated from the Abruzzo region.

A common interest

Examples of collective diaspora philanthropy within the diaspora group and in the new homeland are more readily identified. For example, many communities in Australia have a long and proud history of working together to provide support for older members of their community. This support is delivered by way of services such as the construction and operation of diaspora specific aged-care facilities (including for example Jewish Care; the Italian Association of Assistance; and Greek Care). These facilities are often run on donations from diaspora members themselves and are a clear example of diaspora philanthropy at work within Australia. Some bodies like the Italo-Australian Youth Association, which functions to foster and promote Italian culture and lifestyle specifically amongst Italo-Australians, have a broader cultural agenda but their activities also include raising and donating funds to diaspora related causes. There are many examples of other ethnic groups collaborating and raising funds for diaspora-related causes as well as broader community causes such as Australian-based children's hospitals and bushfire appeals.

Charity begins at home and we now call Australia home

Australia is a wealthy developed nation. Renowned Australian philosopher Peter Singer argues that all philanthropy should be directed to developing nations as there is true need. Some refugee diaspora feel strongly that they have no allegiance to the regime that forced them to flee. In such circumstances diaspora members often feel that all allegiance is due to the new 'home' country. Interviews with representatives within Australia's Vietnamese community revealed that refugees from South Vietnam are passionate and committed to supporting activities within Australia and it is rare for any financial support to be given to Vietnam. However the community also acknowledges that Vietnamese-Australians who were born in Australia, a safer and wealthier country, may not feel as strongly about the Vietnamese regime and are inclined to be more interested in and concerned about issues in their ancestral 'homeland', irrespective of the political regime. As an example, the NFP Hands for Hope was established by a group of young Vietnamese-Australians in 2000 with the mission "To provide direct assistance to underprivileged children of Vietnam the opportunity to access higher education training and or heath care services, thereby achieving sustainable livelihood and improved quality of life."[4]

People give to people

Australia enjoys a large and diverse range of peoples from different nations, cultures and religions. The sense of obligation that many of us feel in relation to our families and our communities is amongst the strongest of our emotions. These obligations give rise amongst diaspora communities, at least in the first instance, to financial support to family and community of origin. There has been

very little study into how diaspora communities in Australia practise their giving, either within Australia or without. In this article we have touched on the very beginnings of research at Swinburne University of Technology into questions related to how and where members of diaspora communities do their philanthropic giving. It is very early days for this work.

From a practical perspective, what information is available tends to reinforce one of the favoured principles to which fundraisers work: people give to people. In particular, they give to people they know, respect and/or love; and nowhere is that more evident that in giving to family and community members. The affiliations of diaspora members are to their community of origin and to that of their new home. The intensity of those respective affiliations will vary with circumstances and are likely to change in intensity over time.

For those of us looking to make an effective philanthropic contribution into a community outside of Australia where we do not have strong connections, members of the relevant diaspora communities in Australia should not be overlooked. They may well provide a source of guidance, information and insight into the needs of the community in question and to the historical, cultural and political factors that can make a difference to the success of a project. Diaspora community members in Australia may already themselves be involved in philanthropic initiatives back into their community of origin and may be well placed to provide a reliable source of awareness about the particular village/region/environment, and about the people involved and who might be best placed to assist in the safe distribution of project resources/aid requirements. Similarly, diaspora community members are well placed to galvanise philanthropic responses to (all too frequent) natural disasters. While we all feel a great deal of compassion for those whose lives and livelihoods are shattered, Australians with direct family and community connections back into devastated communities such as those in Christchurch in New Zealand and the Miyagi Prefecture in Japan, undoubtedly have the strongest affiliations. ■

Dr Christopher Baker and Rikki Andrews undertook this research as part of their work at the Asia-Pacific Centre for Social Investment and Philanthropy, Faculty of Business and Enterprise, Swinburne University of Technology. Rikki Andrews is now the Seminar Developer and Presenter at Philanthropy Australia.

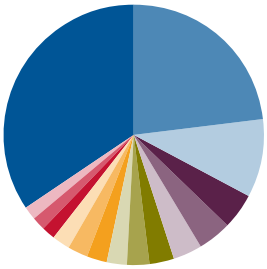
1. ABS 3412.0 – Migration, Australia, 2007-08 http://www.abs.gov.au/ausstats/abs@.nsf/mediareleasesbytitle/35A203AB6DD3CA0BCA257600002314F7?OpenDocument
2. Giving Australia Report 2005 http://www.fahcsia.gov.au/sa/communities/pubs/Community/Giving_Aus_Finding/Documents/givingaustraliareport.pdf
3. ACPNS Current Issues Sheet 2010/1 Prescribed Private Funds 2007-2008 p3 and Table 4; viewed Sept 17, 2010 http://www.bus.qut.edu.au/research/cpns/publications/documents/2010_1_PPFs_Web_v2.pdf
4. Hands for Hope website, viewed March 16 2011 http://www.handsforhope.org.au/english/about/

"In 2006 the number of overseas-born Australians reached five million, representing almost a quarter (24 per cent) of the total population."

Main countries of birth – Australian residents

	2006 Census '000	%
United Kingdom	1,153.3	5.6
New Zealand	476.7	2.3
Italy	220.5	1.1
China	203.1	1.0
Vietnam	180.4	0.9
India	153.6	0.7
Philippines	135.6	0.7
Greece	125.8	0.6
South Africa	118.8	0.6
Germany	114.9	0.6
Malaysia	103.9	0.5
Netherlands	87.0	0.4
Lebanon	86.6	0.4
Hong Kong	76.3	0.4
Other non-Australian	1,720.4	8.3
Total overseas born	**4,956.9**	**24.1**
Australian born	**15,648.6**	**75.9**
Total population	**20,605.5**	**100**

Source: ABS 3412.0 Migration, Australia 2006.



Other non-Australian	8.3
United Kingdom	5.6
New Zealand	2.3
Italy	1.1
China	1.0
Vietnam	0.9
India	0.7
Philippines	0.7
Greece	0.6
South Africa	0.6
Germany	0.6
Malaysia	0.5
Netherlands	0.4
Lebanon	0.4
Hong Kong	0.4

Source: ABS 3412.0 Migration, Australia 2006.

Making the most of microfinance

By **Calum Scott**, Research Projects Manager, Opportunity International Australia.

As the fastest growing major economy in the world in 2011, India is just as often in the news these days for its economic strength as it is for its appalling poverty levels.

But for many of the 900 million Indians who live on less than US$2 per day, the economic growth – that has seen the emergence of strong IT services, pharmaceutical production and other manufacturing industries – has had little impact on their lives.

As a long-standing democracy, Indians enjoy many freedoms that other developing countries do not. However, a lack of access to basic services – especially in healthcare, education and finance – prevent the poor from participating in the economy and benefiting from economic growth. If such barriers could be overcome, India's strong growth and economic and political stability could promise a pathway out of poverty for the country's poor.

Opportunity International Australia exists to provide opportunities for people living in poverty in developing countries to transform their lives. We do this by improving their access to basic financial services – small loans, savings accounts, insurance and so on. Tools that we in a country like Australia can take for granted; tools that people in developing countries can use to lift themselves out of poverty.

In India, Opportunity works through 18 locally-run microfinance institutions (MFIs), providing microcredit to help people start small businesses, earn incomes and provide for their families. We also work in the Philippines and Indonesia. In total, we are serving more than 2.5 million families with microfinance. These families lack access to the traditional banking services that many of us are able to obtain in the developed world – perhaps because they lack collateral, or formal identification, or are unable to find secure paid work. Providing people with access to financial services gives them a hand up out of poverty – an opportunity to participate in society.

The current climate of microfinance – scrutiny and the way forward

In its simplest form, microfinance works by providing a small amount of credit (the average loan size is $100-$200) to be repaid with interest over a six-month or one-year period. Microfinance clients are able to use this credit to start or expand a small business, increase their income and improve the living standards of their family – paying for food, proper shelter, medicine and an education for their children. While some of the loans go to men, 94 per cent of Opportunity's clients are women, who are empowered to look after their families.

Funds raised for microfinance also go much further than just one family. Because the money is provided in the form of loans (not hand-outs), the money can be recycled over time. A loan repaid by one borrower can be lent out to another person living in poverty, time and again. Plus, because these repayments

After her husband passed away, Beesamma used a loan of Rp. 8,000 (A$195) to grow a business selling chicken snacks from a street cart in Kurnool, India. "The loan has made things much better," she says.

mean that investment in an MFI is not used up, microfinance organisations can borrow money from local banks, leveraging donor funding to have an even bigger impact.

> **"If microfinance is to be successful in practice, some basic requirements on the part of both the borrower and the lender must be fulfilled."**

This, in short, is the theory of the microfinance model. But if microfinance is to be successful in practice, some basic requirements on the part of both the borrower and the lender must be fulfilled. The borrower must put the money to productive use, not borrow excessively, and they must use the proceeds from the business responsibly. In the same way, the lender must treat the borrower fairly – microfinance clients are typically among the most vulnerable people in society. Lenders must provide an effective and low-cost service, serving the interests of their clients above all else.

In recent months, the microfinance model has come under significant scrutiny in India, criticised for not doing enough to ensure that these basic requirements are met. Many commentators have accused commercial MFIs – those organisations whose primary motive is making a profit on microfinance – of behaving irresponsibly, allowing clients to build up excessive levels of debt as they pursue growth and commercial returns. In January of this year, a committee appointed by the Reserve Bank suggested wide-ranging regulations to direct the operations of microfinance providers in India, and to provide protection to clients.

As a funder of socially focused microfinance, Opportunity takes care to ensure that our partners share our social motivation, putting the welfare of the client first – not a financial return. Our partners' dedication to implementing client protection principles – preventing excessive lending, being transparent about the costs of services offered, giving clients effective feedback and grievance mechanisms – illustrates a commitment

A former slum-dweller, Padmavathy used a small loan to start a business selling vegetables. The income she has earned has allowed her young daughter Preethi to go to school.

to the wellbeing of people in poverty; we are there to serve their needs. The high average repayment rate across Opportunity's partners (around 97 per cent) suggests that clients are benefiting from the services they receive. After repaying their first loan, many go on to receive larger loans to grow their businesses further.

At Opportunity, we regularly see the transformation in people's lives via the effective provision of microfinance services – and it's this impact that is paramount. We have also developed systems to assess our social performance and refine our products and services to meet the ever-changing needs of clients.

While India, with over 20 million microfinance borrowers, often receives the largest share of attention when microfinance is in the news, the microfinance model in the Philippines has also been undergoing development in recent years. Opportunity's Philippines Reform Program is a good example of how lessons can be learned even by well-established microfinance players, and how people living in poverty can be the ultimate beneficiaries. The program involved substantial research on the ground, surveying clients and listening to what they did and did not want, and need.

Research showed that many clients were looking for new product features in response to changing environments. After an extensive period of consultation with their customers, Opportunity's Filipino partners made extensive changes to their programs, including the further development of individual lending products. These organisations are now seeing improved rates of client retention and satisfaction, with clients benefiting from better designed products and services. By more effectively meeting their clients' needs, Opportunity's partners in the Philippines are able to have an even greater impact on poverty.

Beyond financial services

This focus on the needs of clients is driving the most forward-thinking microfinance support organisations to look at new ways in which microfinance institutions can provide services that tackle the multiple causes of poverty among the most vulnerable.

However well designed, microfinance on its own does not provide a guaranteed path out of poverty. Poverty is not just about a lack of income. A client with a successful business can be pushed back into poverty when ill health prevents them from running their business. Access to health services in developing countries, particularly for those living in poor and rural areas, is limited and often unaffordable. Education too is often of poor quality, and rarely comes without a fee – whether formal or 'informal' – despite its importance as a key determinant in economic success, both at the level of the individual and the community.

Health and education initiatives are long-standing staples of the development sector, but the performance of such initiatives has been mixed. Initiatives work best when they are tailored to local problems, and developed in collaboration with local communities. However, often development organisations lack a credible presence in rural communities where it can be hard to design programs that are suited to local community needs, and difficult to deliver services in a cost-effective manner. Where development organisations attempt to provide services to unserved communities, it can take great time and expense to develop the relationships necessary to make these interventions work.

This is where the microfinance model is presenting a great opportunity for sustainable and effective community interventions. Many community development providers are

Anne-Marie was taught to weave by one of Opportunity International Australia's microfinance clients in the Philippines. The income she earns now helps her provide for her family.

already partnering with microfinance networks that have outreach into thousands of poor villages. These MFIs are trusted by the local people, and they are, in many places, in a unique position to use these networks as a platform to provide other services that people in poverty desperately need, such as health or education.

If microfinance networks are able to look at innovative ways of using the microfinance platform to deliver complementary health and education services to the poor, communities are set to benefit from a range of services that meet their many needs – from the need for job creation to the need for basic immunisations or schooling. Opportunity, for example, is currently working alongside a health services non-government organisation in India to provide basic health training to microfinance clients. This is enabling trained locals to share what they have learnt with other people in their communities, educating people about nutrition, hygiene, maternal health and other key health issues.

Testing times offer the possibility of a bright future for microfinance

Opportunity International has 40 years' experience providing microfinance in developing countries. The many successes and obstacles we've seen in that time suggest to us that the current challenges faced by the industry in fact offer an opportunity for microfinance to emerge stronger, offering even more to the development field in years to come.

Microfinance is still a relatively young sector, and it is now approaching a pivotal point. If we are able to encourage all microfinance providers to turn the focus of services back on to the client – those whom it was set up to serve – and move to complement these financial services with health, education and other vital initiatives on a cost-effective, sustainable basis, there will be great potential for microfinance to improve the lives of hundreds of millions of people across the developing world. ■

For more information on Opportunity International Australia, please visit http://www.opportunity.org.au

Craig Spence

Craig Spence, Private Philanthropist.

Could you tell me about how you got into international giving and what your work in the field's been like so far?

It was a result of travel, and just seeing opportunities, particularly in developing and underdeveloped countries and areas. And seeing the level of giving by other international, individual philanthropists, that one person can make a difference. There are many that have demonstrated that – the example I often use is Muhammad Yunus with the Grameen Bank, starting with such a small amount of money and making a difference into so many lives over many years.

I've met many Australians, individuals that no one here has ever heard of, who are giving overseas.

"I've met many Australians, individuals that no-one here has ever heard of, who are giving overseas."

Is personal engagement an important element in your philanthropy?

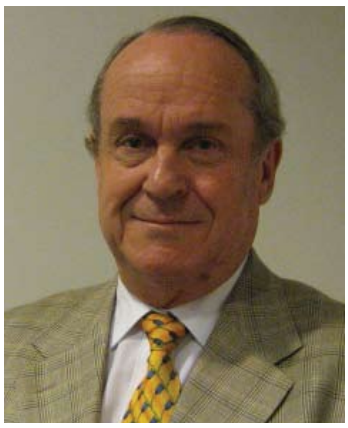
Personal engagement's the most important, money's secondary. I don't have endless amounts of money, because I'm an individual. I'd say 80 per cent of what I give would be personal effort, and the rest would be funds.

You're very involved in water-related projects – what drew you to those specifically?

The area that I'm passionate about is water because, no matter what international relief or aid projects are undertaken, without clean drinking water the rest of it is irrelevant. The majority of people in the world don't die from major diseases; waterborne pathogens are what kill more people than anything else. What people in many developing and underdeveloped countries drink is just outrageous, it's disgusting. If we drank it we'd die.

People have got to have clean drinking water, they've got to have nutrition, and hopefully a roof overhead and education. There's a whole list but, in terms of priorities, the number one is clean drinking water.

I recognised that in every international project water has been the foundation. Without that the rest of it's irrelevant. Many aid projects are imposed on cultures and areas without really taking into account what the basic needs are. People think, 'well, let's get some training done or something', but the fundamentals such as sanitation and clean drinking water haven't really been attended to.



Do you believe that Australians are sufficiently engaged with overseas giving?

There are a number of restrictions that are placed upon people with their overseas giving, if they want to get tax deductibility. And that's a major issue that restricts a lot. If organisations can get tax deductibility, well and good. But then we've got organisations that some have never heard of, that do brilliant work but they've got no profile in Australia and one of the reasons is that they're not recognised by government.

Anything that's considered to be welfare cost is ineligible. It's got to be an aid project or a development project and it must fit within the guidelines that AusAID stipulate. You've got to have at least one or two years of demonstrable record before you can even make an application.

I've got a project where we provide a school, and we provide books, and we give children a meal every day – because they're all undernourished – and we provide some uniforms. We pay for teachers. None of it's eligible because it's not considered to be either a relief or a development project, and yet the need is there.

Maybe there needs to be a new form. I also understand the Government's need to be extremely careful, because we've got to ensure that people aren't involved in things like the exploitation of children, money laundering or terrorism. It's not unreasonable. But if you've got people that have got a longstanding credibility in the community in Australia, that have been involved in philanthropy for a long time, why shouldn't people or organisations or small donations get a tax deduction? Fundraising's a problem because we can't necessarily offer that tax deductibility.

Let me give you an example: Sky Juice Foundation. They do water purification. It's an amazing organisation. They employ one person. They've done over 700 international projects. 700.

"Let me give you an example: Sky Juice Foundation. They do water purification. It's an amazing organisation. They employ one person. They've done over 700 international projects. 700."

They haven't got Overseas Aid Gift Deduction Scheme (OADGS) approval. It's extraordinary. We're talking about genuine relief work: Haiti, Pakistan, all these countries where there's a desperate need, urgent, they're there and doing it – but they don't have the high profile.

You go into their website and see the projects they've done in Cambodia and Indonesia and India – all over the world, in Africa, it's amazing, it's a brilliant story and if you wanted to take an example of an organisation that's been outstanding, that's one.

There's a big culture of overseas individuals, high net worth individuals, who are giving huge amounts in Australia that Australians are very aware of. But you hear very little about Australian individuals who are giving to other countries in the media. It's not as high profile a story.

I mentor a number of small organisations. I've been with an organisation in recent times, mentoring them, and one of the areas that I'm passionate about is kerosene replacement.

Typically in the developing countries – SubSaharan Africa, Asia Pacific – in the underdeveloped countries or impoverished communities, they use kerosene for lighting inside their homes. Which is really incredibly dangerous. It can create fires – a child gets up in the middle of the night to go to the toilet or lights the lamp, knocks it over and they burn their hut down. I've been next to one when they've done it.

The major issue is not only the cost, but it's the carcinogen. The fumes from the kerosene end up on the ceiling of the hut, it falls, it's a carcinogen. Maternal and children's health is very important to me, particularly developing infants and young children, and they're exposed to this all the time.

There are some excellent kerosene replacement programs that have been developed in Australia like Barefoot Power and others. They can amortise the cost of, say, a solar powered LED light which will give at least twice the lighting of a kerosene lamp. Absolutely amazing what a difference it'll make. They can amortise the cost of one of those units with what they would normally spend on kerosene between one and three months – without the lamp.

That's not eligible under the current OADGS program. If it was providing lighting in a relief situation in an earthquake or tsunami or something that's different, but generally if you just wanted to look at the kerosene replacement program, that wouldn't be eligible under the OADGS program.

The demand, the need for it, is not hundreds of millions – there's over a billion people relying on that as their lighting. That's the other one I'm really passionate about.

How would you like to see the Australian giving sector change in relation to overseas giving and are there steps that the Government should take towards that change?

The opportunity I would particularly like to see is for individuals or small organisations that are doing incredible work overseas. Their life would be made easier if they were able to fundraise in Australia and get that gift deductibility. I'm not saying that it shouldn't be carefully monitored and controlled – you just can't give it to anybody, but it's a problem.

I would like to see a new form of international giving. I think it's important that we have a dialogue between AusAID and Philanthropy Australia to help break down any potential barriers, and also maybe open up new opportunities. ■

Donating overseas is a vexing issue and today, even more so

By **Phil Hayes-St Clair**, Executive Chairman, HSC & Company – Philanthropy and Community Investment Advisors.

I was asked to write this article before the devastating events in Japan took place. In light of the enormity of that disaster my original message hasn't changed.

I am naturally intrigued by the ever-changing landscape of international policy and social issues. In my corporate life I keenly observe systems and markets with a view to help steer companies to a position of competitive advantage. As a philanthropy advisor I use the same skills to keep a close eye on the reactions that people have to humanitarian crisis and see, more often than not, a disturbing cycle of habit and history repeating itself.

Advising HSC & Company's clients on overseas donation and social investment has revealed two clear camps. The first is the 'I get better bang for buck when donating overseas than domestically' camp. The second is the 'I don't know how much actually ever gets to where I want it to go' camp. Is there a middle ground? The answer is yes but what you find there is a myriad of complexity and difficult-to-answer questions that usually encourages people to do one of three things: go back to the camp they came from; quickly adopt the philosophy of the other camp; or say 'forget it, too hard' and look to engage in domestic social issues.

"Social issues created by natural disasters compared to those that endure over generations – both in Australia and overseas – are differentiated by one factor: the immediacy of onset. Solving any social issue does however require the same fundamental ingredients."

These are all (semi-) rational behaviours but what about the deep sadness and gut wrenching emotion we all feel when we see images of people who are themselves heartbroken by a large scale and ferociously sudden natural disaster that claims their family, their friends or their livelihood. What then? Well you reach for a mobile phone or laptop and donate, right?

WRONG!

Social issues created by natural disasters compared to those that endure over generations – both in Australia and overseas – are differentiated by one factor: the immediacy of onset.

Solving any social issue does however require the same fundamental ingredients.

Before talking about what those ingredients are, one other argument cannot be forgotten. It's just as vexing as the concept of overseas donation or social investment and it begins with this declaration, 'It's the Government's responsibility to provide international aid'.

Governments provide substantial international aid, don't they?

Yes, they do. In fact in 2010-11 the Australian Government plans to spend almost $4.4 billion on development assistance[1]. Similar to domestic spending on social services or providing grants to community organisations, this government funding is designed to improve living standards and reduce disadvantage. While $4.4 billion sounds like a lot of money, some argue it's not enough. World Vision CEO Rev Tim Costello is a long time supporter of this position and weight was added to his argument in 2000. To cut a long story short, in September of that year, world leaders came together at United Nations Headquarters in New York to adopt the United Nations Millennium Declaration, committing their nations to a new global partnership to reduce extreme poverty and setting out a series of time-bound targets – with a deadline of 2015. These targets have become known as the Millennium Development Goals (MDGs)[2]. The MDGs reinvigorated the debate about the quality and volume of aid being delivered. In doing so, the spotlight was also turned to an international agreement – dating back to 1970 – where the world's rich countries agreed to give 0.7 per cent of their gross national income (GNI) as official international development aid, annually[3]. In 2010-11, Australia's $4.4 billion represents 0.33 per cent of GNI.

AusAID chief Peter Baxter is responsible for the operation and performance of Australia's overseas aid programs and activities. Since joining AusAID in 2009 Baxter has begun improving the quality and effectiveness of its programs and said recently that he looks forward to receiving the recommendations from AusAID's first independent review in 15 years. The review is widely tipped to recommend cuts to spending on technical assistance support used to help deliver its projects (~38 per cent of the AusAID budget in 2010) and require AusAID to focus on a smaller number of major programs rather than a large number of smaller projects. Measures like this at the gatekeeper level are positive. Still, there is a way to go in addressing the main issue, that in our experience, prevents donors from engaging in overseas donation and social investment: transparency.

Do I buy the goat, the chicken or the water filter system?

Creating something tangible from the donation experience started to gain momentum after the 2004 Asian tsunami crisis. Soon after this event that rewrote the donation record books, some aid organisations came under fire for not delivering aid quickly enough and allegedly 'squandering' donated funds. These organisations responded to this criticism by using the internet to revamp how people donate, connecting with donors more directly. The result today is the ability to 'buy' livestock, a surgical kit or vaccines for 10 sick children. The logic being applied here is 'see your money at work'.

"In the face of this uncertainty clients continue to ask us to help develop a multiyear, fully or co-funded program that doesn't just look at putting resources into a region, but provides the opportunity for people of that region to become equipped to lead better lives."

Efforts like this have helped restore credibility, but it doesn't end there. From the regular conversations I have with philanthropists, although it's improving, there still remains a lack of confidence about how much impact the philanthropic dollar can have overseas.

In the face of this uncertainty clients continue to ask us to help develop a multiyear, fully or co-funded program that doesn't just look at putting resources into a region, but provides the opportunity for people of that region to become equipped to lead better lives. This could involve improving education or health outcomes, joining the fight against child exploitation or 'seed funding' micro enterprises.

Solving any social issue requires the same fundamental ingredients

Philanthropic capital plays a unique and critical role. It can't, by itself, solve a social issue. It can, however, take risks that corporate and government funding cannot. Overseas donation or social investment is no different. Here are the guiding principles we use when advising clients.

(a) Be clear on funding focus

The number of organisations and overseas programs to fund can seem never ending. Decide on the social issue(s) of interest (as well as consciously deciding what social issues are 'out of bounds').

(b) Use AusAID. They have answers

As the gatekeeper of Australia's overseas aid, AusAID can provide insight into how, where and what type of aid is needed. They have also developed a comprehensive assessment process that community organisations need to successfully negotiate in order to provide offshore aid. AusAID's detailed seven step process can be found on their website under Overseas Aid Gift Deduction Scheme. To date AusAID have approved 193 relief funds using this process.

(c) Let the dust settle. Identify the need and then contribute

Natural disasters often result in a compulsion to donate to a relief fund. We recommend contributing a small donation immediately and then letting the dust settle. This allows social needs to be clearly identified to which philanthropic capital can then be productively applied.

(d) Understand the organisation delivering the aid

Outstanding programs will create enduring positive impact if they are supported by an outstanding organisation. Understand the fundamentals of each organisation you plan to fund by reviewing their strategy, recognising their strengths and limitations, meeting their leaders and asking how you can work with them to develop a program that benefits humanity and their organisation whilst meeting your philanthropic objectives.

(e) Small organisations can deliver big outcomes

Community organisations that have a big brand presence seem to be the go-to solution for people wanting to donate internationally. Consider smaller, more nimble organisations. Perhaps look at Australian Doctors for Africa Relief Fund, Engineers Without Borders Overseas Aid Gift and Relief Fund or the John Fawcett Foundation.

(f) Crave insight

The best source of insight about program effectiveness comes from talking to people involved 'on the ground'. Although sometimes helpful, most of our clients see little value in reading key performance indicator-based templates that provide little insight. Ask to meet with the organisation annually. Better still, ask to Skype with people on the ground every six months.

(g) Look for funding partners and enter a collaborative funding arrangement

Remove 'single donor risk' by talking with other funders and agreeing to share the funding load. We regularly help clients connect with other philanthropists to create valuable partnerships.

Considering overseas social investment can be challenging but has the potential to be hugely rewarding and impactful. The steps that need to be taken to identify an outstanding overseas aid organisation are no different to those needed to identify an outstanding Australian community organisation. If you are unsure of where and how to start, talk with a friend or colleague about their experience and seek guidance from philanthropy professionals like HSC & Company. ■

1. Global Education (http://www.globaleducation.edna.edu.au/globaled/go/cache/offonce/pid/24;jsessionid=2DA8584A3AF2E023CD02DE0945C1A542) Accessed 14 March 2011.
2. United Nations (http://www.un.org/millenniumgoals/bkgd.shtml) Accessed 15 March 2011.
3. Foreign Aid for Development Assistance (http://www.globalissues.org/article/35/foreign-aid-development-assistance#RichNationsAgreedatUNto07ofGNPToAid) Accessed 18 March 2011.

Maintaining focus through grassroots partnership

By **Jack de Groot**, Chief Executive Officer, Caritas Australia.

There are countless opportunities to give internationally, but far fewer to truly enact a lasting change in the world's poorest communities. So when giving overseas, how can you be sure that your money isn't wasted or lost?

After a decade of service with Caritas Australia – the aid and development agency of the Catholic Church in Australia – I have had the opportunity to witness life-changing development initiatives in marginal communities across Asia, the Pacific, Africa, Latin America and Indigenous Australia. In my experience, our potential to enact lasting change in the world's poverty-stricken communities hinges firmly upon our capacity to forge faithful relationships.

"Support does not truly capture the essence of our work; we seek to accompany partners through the development process."

To this end, Caritas Australia's development philosophy is one of grassroots partnership. Throughout the world, Caritas Australia works alongside communities, enabling people to identify the challenges they face and to map a route out of the cycles that trap them in poverty.

For Caritas Australia, support does not truly capture the essence of our work; we seek to accompany partners through the development process, providing funds, and technical support, advice on management and planning, mentoring and guidance.

And as is true of any strong partnership, our success is rooted in deep respect, understanding and enduring compassion for the communities in which we work. Without first fully understanding the unique challenges that obstruct justice and development around the world, it may be possible to help communities but rarely possible to help communities to help themselves. For Caritas Australia, empowering communities to take ownership of the development always translates to maintaining a local presence, through partnership.

Of course, the communities which benefit the greatest from our partnership are most often those riddled with complex socio-economic and political challenges.

As a result of colonisation, conflict or inadequate resources, many nations have been rendered ill-equipped to ensure their communities enjoy the rights and opportunities we champion in Australia. For many, democracy is a relatively new concept, and one which is all too often touted as the miracle cure to injustice.

International development and grantmaking is no easy feat; the greatest challenge is to ensure that your generosity is really making a difference and not perpetuating the structures that allow poverty and conflict to breathe.

In short, a robust partnership designed to build local capacity and cement institutional sustainability is fundamental to any successful development initiative.

As a case in point, I refer to Caritas Australia's work in Timor Leste. Despite being one of the world's youngest nations, Timor Leste has endured significant trauma: after 400 years of colonial Portuguese rule, Timor Leste saw civil war in 1974; 24 years of Indonesian occupation; a campaign of terror and destruction waged by TNI-sponsored militias in 1999; and several serious civil disturbances in 2005 and 2006.

Caritas Australia first began funding local partner projects in Timor Leste in 1997, and matured into an operational in-country agency in response to the conflict that tore Timor Leste apart in 1999. Following the country's Independence Referendum, thousands of lives were claimed in unprecedented bloodshed and the majority of the country's infrastructure was completely destroyed. The conflict was one which demanded our action, yet in the context of such volatility a response was complex, to say the least.

'Caritas Australia is supporting women and children to improve their lives in Timor Leste', Sean Sprague, Caritas Australia.

The key to Caritas Australia's successful response to Timor Leste's near collapse was not only the extent of our financial capacity to respond, but was the product of faithful local partnerships developed over two years of prior engagement.

With the addition of some Caritas Australia staff on the ground, our community partnerships enabled the distribution of emergency aid en masse and to some of the most marginal communities, and ensured accountability in our response. Today Caritas Australia is one of the largest and most trusted NGOs in the country.

From 2000 to 2010, Caritas Australia's investment in long term programs and emergency response in Timor Leste has totalled approximately A$18.5 million. In committing so significantly to Timor Leste on behalf of our donors it is imperative that we know we are being effective; wherever we work a measure of effectiveness is paramount to our success.

To undertake effective development internationally requires that we firmly commit to accountability in all our partnerships. Beyond simply documenting our funding relationships with partners, to be effective we must manage the risks of working through local organisations. We must always assume responsibility for ensuring that our partners have the capacity to effectively implement and manage the projects in their local context. This is assessed as part of our partner appraisal and partnership review processes, but further enhanced through ongoing monitoring, project review visits, and sensibility for the challenges inherent in a country's dynamic socio-political climate.

And do things always run smoothly to plan? Certainly not, but regular monitoring also allows us to be flexible in our work, identifying problems in program management, partner capacity or accountability where they occur. Where problems arise, our priority remains with those vulnerable communities who first motivated our response; at times, project agreements may be shortened, or funding commitments may be reduced to what the partner agency can effectively manage. As an agency committed to capacity building we don't shy away from these challenges, but rather embrace a pragmatic approach that empowers our partners, our staff and our donors to be effective.

Since first visiting Timor Leste in 2000, I have returned five times. I have seen Caritas develop from a small but robust organisation dedicated exclusively to the provision of humanitarian and emergency relief, to an agency of 60 local staff managing over 50 projects that range from agricultural training and water security to peace building to human rights strengthening. It is a case that exemplifies the partnership model to which we ascribe. In Timor Leste we have experienced the demonstrable value of local knowledge, the strength of local partnerships and the success that is borne of true grassroots development. ■

To find out more about Caritas Australia's work go to www.caritas.org.au or speak to Jack de Groot on (02) 8306 3400.

Drying corn for the dry season in a traditional outdoor kitchen in Oecusse, Timor Leste.

Our partner agreement and funding framework

- Appraisal of project and budget before it is endorsed for funding. During project appraisals, the budget proposal is scrutinised and checked that it is adequate for the purpose of the activity, and that budget figures are realistic.
- Appraisal of partner's financial management capacity. The appraisal process includes assessment of the partner's project management and financial systems.
- Signing of Program Agreement detailing terms and conditions of funding. Program Agreement is required for all projects funded by Caritas Australia and specifies terms and conditions of funding and accountability requirements.
- Communication to partners indicating purpose of each fund transfer. Partners are notified when funds are transferred and its purpose, and are requested to acknowledge receipt of funds.
- Signing of an Acknowledgement of Grant Form (AoG). Partners are sent an AoG form that requires them to declare the amount received in local currency, the exchange rate, confirmation of activities for which funds will be used, date received, and commitment to send a bank statement which is duly signed by an authorised officer.
- Verification of partner agency's program and accounting system as part of project monitoring. Caritas staff doing project monitoring visits are required to view the partner's financial records and report on the partner's financial management practices.
- Project reporting and acquittal against budget. Partners are required to report against each budget line in the proposal, and report approved variances, if any.
- Submission of audited financial report. An audited financial report is required from partners and this requirement is part of the terms and conditions of the funding agreement.

Working locally to deliver global results

By **Jenny Geale**, **Jennie Orchard** and **Colleen Zurowski**, Room to Read.

Building educational infrastructure and providing educational opportunities in the developing world is not a simple task. Every country offers a unique set of challenges and advantages, every region has its strengths and weaknesses, every community has its own needs. Room to Read is an innovative global nonprofit which focuses on the delivery of literacy programs and gender equality through girls' education in nine developing countries in Asia and Africa. A large factor in Room to Read's exceptional results (see box) is that they employ local staff, who are personally vested in their nation's educational progress, and empower them to make key programmatic decisions within their country. Already familiar with the language, conditions, customs and governments and understanding the specific needs of the educational system, they ensure the programs delivered are effective.

Room to Read publishes high-quality children's books in the local language and also provides long term, holistic support enabling girls to pursue and complete their secondary education.

Rajasthan, India 2010. Room to Read volunteers from around the world meet their Indian colleagues in the middle of the desert to share the same dream – a world in which all children can pursue a quality education that enables them to reach their full potential and contribute to their community and the world.

"Strong local staff and partnerships create culturally relevant programs."

In 10 years of working in the international arena, Room to Read has learned that strong local staff and partnerships create culturally relevant programs and this learning also applies to their model of philanthropy. They challenge program communities to co-invest with them locally – they also look for corporate and individual partners and donors to do the same. Room to Read understands that to be effective globally, you need to get it right locally.

When Room to Read's Australian fundraising presence was launched in 2009, the set-up issues presented some considerable, uniquely Australian challenges from a legal and taxation perspective. Ultimately, it was necessary to incorporate a company, establish a foundation, and to apply for fundraising licences, a different process in each state. Not a simple task as on the program side, a strong local partnership was needed to ensure success.

Through its pro bono and community program, national law firm Mallesons Stephen Jaques provided the initial crucial advice and then assisted Room to Read in establishing its Australian legal presence. Each year Mallesons provides pro bono support to a range of non-profit organisations, primarily in Australia but also overseas, and they receive numerous requests for pro bono assistance.

According to Mallesons partner Judy Sullivan, the firm was drawn to support Room to Read because of the passion, commitment and focus of the international programs and their focus on targeted education: “In providing pro bono assistance, we also need someone at the client end to take ownership of what needs to be done, long term, to bring the dream to reality. Jennie Orchard at Room to Read was that person, meaning we could work together to achieve the best outcomes”.

The relationship between Room to Read and Mallesons has continued since the launch of Room to Read Australia Foundation: Frank Zipfinger, former Chairman of Mallesons, was appointed as one of two local board members for the organisation – and Room to Read was adopted as a workplace giving partner by Mallesons. Two young lawyers have already visited Room to Read projects in Laos. Others have attended local fundraising events. And Room to Read has been fortunate enough to host meetings and events in the Mallesons offices in the Sydney CBD.

In the short time since Room to Read’s Australia Foundation was established with Mallesons’ assistance, a network of volunteer chapters has developed across Australia (in Brisbane, Canberra, Melbourne, Perth and Sydney), joining a global network of chapters in over 50 cities, with more than 8,000 volunteers worldwide, working within their local communities to raise funds and awareness, producing a third of the organisation’s operating budget.

Local and global came together in December 2010 as five Australian volunteers joined 10 of their colleagues from Room to Read chapters around the world in the desert state of Rajasthan in the north-west of India. They were hosted by members of the local staff, the team charged with program delivery in India. The 15 volunteers meeting in India hailed from all corners of the globe, representing the international flavour that is typical of Room to Read – a Canadian living in Australia, an Australian living in India, an Indian living in the USA, an Irishwoman living in Belgium, a Columbian living in Hong Kong and so on. For these individuals who are heavily engaged in supporting the work of Room to Read by making a long term commitment to support and promote the organisation within their local communities, the world’s boundaries really are dissolving. Unlike other organisations operating in this sphere, these volunteers are here to learn about the work Room to Read is doing, not to do it. Global support, local delivery. The empowerment of local communities.

Room to Read believes ‘world change starts with educated children’ and aims to enable more than 10 million children in over a dozen developing countries to maximise their educational experiences by 2015. Room to Read Australia will contribute to this global goal by working locally; further strengthening local corporate relationships with Australian organisations such as Mallesons and Atlassian, as well as engaging global corporate partners Credit Suisse, Barclays Capital, Bloomberg and Jones Day through their Australian offices. These organisations, as well as the over 1,000 individuals that form the Australian chapters, understand the importance of supporting overseas initiatives in their role as truly global citizens. ■

For information about Room to Read’s fundraising operation in Australia, please contact Australia@roomtoread.org or consult the website, www.roomtoread.org/australia.

Some of Room to Read’s Indian scholars.

Snapshot of results achieved to date

Schools	1,442
Libraries	11,246
Books published	553
Books distributed	9.4 million
Girls’ scholarships	10,590
Children benefited	5.1 million

Members of Philanthropy Australia

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

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MLC Community Foundation
Newman's Own Foundation
PMF Foundation

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Australian Red Cross
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Carnbrea & Co Ltd
Centenary Institute
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NeuroSurgical Research Foundation
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L.E.W. Carty Charitable Fund
Law & Justice Foundation of NSW
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Ledger Charitable Trust
Legal Services Board
Limb Family Foundation
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Lorenzo & Pamela Galli Charitable Trust
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McCullough Robertson Foundation
The McLean Foundation
Medical Research Foundation for Women & Babies
Medicines for Malaria Ventures
mecu
The Melbourne Anglican Foundation
Melbourne Art Foundation
Melbourne Community Foundation
The Miller Foundation
Mirboo North & District Community Foundation
MLC Community Foundation
The Mullum Trust
Mumbulla Foundation
The Mundango Charitable Trust
Myer Stores Community Fund
The Myer Foundation
National Australia Bank
National Foundation for Australian Women
Nelson Meers Foundation
Newcastle Permanent Charitable Foundation
Newman's Own Foundation
Newsboys Foundation
nib Foundation
The Norman Wettenhall Foundation
Northern Rivers Community Foundation
Origin Foundation
The Palya Fund
Paul Edward Dehnert Trust
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Rothwell Wildlife Preservation Trust
The Royal Agricultural Society of NSW Foundation
Ruffin Falkiner Foundation
Sabemo Trust
Scanlon Foundation
Sherman Foundation
Sir Andrew and Lady Fairley Foundation
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Slingsby Foundation
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Sunshine Foundation
Sydney Adventist Hospital Foundation
Sydney Community Foundation
Tasmanian Community Fund
Tasmanian Early Years Foundation
Telematics Trust
Telstra Foundation
The Thomas Foundation
Christopher Thorn
Three Flips Foundation
Tibetan & Hindu Dharma Trust
Tim Fairfax Family Foundation
Tomorrow: Today Foundation
The Tony and Lisette Lewis Foundation
The Towards a Just Society Fund
a sub fund of the Melbourne Community Foundation
Toyota Australia
The Transfield Foundation
Trawalla Foundation
Trust Foundation
Trust for Nature Foundation
UBS Wealth Management
Une Parkinson Foundation
Victoria Law Foundation

Victorian Employers Chamber of Commerce and Industry
Victorian Medical Benevolent Association
Victorian Women's Trust
Vincent Fairfax Family Foundation
Voiceless, The Fund For Animals
W & A Johnson Family Foundation
David Ward
Western Australian Community Foundation
Westpac Foundation
The William Buckland Foundation
The Wyatt Benevolent Institution
Yajilarra Trust

Associate Members

Achieve Australia Ltd
Action for Community Living
Action on Disability within Ethnic Communities
The Alfred Foundation
The Anaesthesia and Pain Medicine Foundation
Asia-Pacific Centre for Social Investment and Philanthropy
Austin Health
Australian Cancer Research Foundation
The Australian Charities Fund
Australian Conservation Foundation
Australian Diabetes Council
Australian Museum
Australian National University
Australian Red Cross
Australian Rotary Health
Australian Rural Leadership Foundation
Australian Scholarships Foundation
Australian Sports Foundation
Baker IDI Heart and Diabetes Institute
Barwon Health Foundation
Benetas
The Benevolent Society
Berry Street Victoria
Beulah Capital Pty Ltd
Bond University
The Brotherhood of St Laurence
Burnet Institute
Can Assist
The Cancer Council Victoria
CARE Australia
Caritas Australia
Carnbrea & Co Ltd
Caroline Chisholm Education Foundation
The Catherine Freeman Foundation
Centenary Institute
Centennial Parklands Foundation
The Centre for Social Impact
Charles Darwin University
Children First Foundation
Children's Cancer Institute Australia
Children's Medical Research Institute
Christian Brothers Oceania Province
Clem Jones Group
The Climate Institute
Conservation Volunteers Australia
Corporate Heart
Country Education Foundation
Credit Suisse Management (Australia) Pty Ltd
Daystar Foundation
Deutsche Bank Private Wealth Management
Documentary Australia Foundation
DOXA Youth Foundation
Dymocks Children's Charities
Eastern Health
Effective Philanthropy
Epworth Medical Foundation
EW Tipping Foundation
ExxonMobil
The Fred Hollows Foundation
FirstUnity Wealth Management
Flying Fruit Fly Circus
Foresters Community Finance
Garvan Research Foundation
The George Institute for International Health
Glenelg Hopkins Catchment Management Authority
Global Philanthropic
Gunawirra Limited
Heart Research Centre
Heide Museum of Modern Art
The Hunter Project Australia
Inspire Foundation
The Institute for Chartered Accountants in Australia
Interact Australia
International Philanthropy Advisors
The Jean Hailes Foundation
Julian Burton Burns Trust
Kids Plus Foundation
Leukaemia Foundation of Australia
Macquarie University
Make A Difference
Mater Foundation
MDM Design
Medecins Sans Frontieres
Medibank Private
Menzies Inc
Mercy Health Foundation
Mission Australia
MJD Foundation Inc
Monash Institute of Medical Research
Morgan Stanley Smith Barney Australia
MS Research Australia
Multiple Sclerosis Ltd
Murdoch University
Mutual Trust Pty Ltd
Myer Family Company
National Heart Foundation of Australia
National Ageing Research Institute
National Institute of Dramatic Art (NIDA)
The Nature Conservancy
NeuroSurgical Research Foundation
Northcott
NSW Department of Premier and Cabinet
Opportunity International Australia Ltd
Oxfam Australia
Parramatta City Council
Peninsula Health
Peter MacCallum Cancer Foundation
Philanthropy Squared
Pimco Australia
Pitcher Partners Investment Services
Plan International
The Queen Elizabeth Centre Foundation
The Queensland Art Gallery Foundation
Queensland Library Foundation
R J Kerry
Reconciliation Australia
Research Australia Philanthropy
Room to Read Australia Foundation
Royal Botanic Gardens Melbourne
Royal Botanic Gardens Sydney
The Royal Children's Hospital Foundation (Vic)
Royal Rehabilitation Centre Sydney
Rural Health Education Foundation
The S. R. Stoneman Foundation
The Salvation Army (Southern Region)
Save the Children Australia
School Aid Trust
Scope (Vic)
The Smith Family
Southern Health
The Spastic Centre
Spina Bifida Association of SA Inc
St.George Foundation
St Margaret's Foundation
St Mary's Cathedral Hobart Restoration
St Paul's Anglican Grammar School
St Vincent de Paul Society of Victoria
St Vincent's & Mater Health Services
Starlight Children's Foundation
The State Library of NSW Foundation
The State Library of Victoria Foundation
Stewart Partners
Surf Life Saving Foundation
Sydney Adventist Hospital Foundation
Sydney Opera House
Sydney Theatre Company
Taralye
Travellers Aid Australia
UCA Funds Management
United Way Australia
United Future Foundation
University of Canberra
University of Melbourne – Advancement and Communications Unit
The University of Melbourne – Alumni Office
University of New South Wales
University of Newcastle Foundation
University of South Australia Foundation
University of Sunshine Coast
Univeristy of Sydney
VicHealth
Victoria University
Vision Australia
Volunteering Australia
Walter & Eliza Hall Institute of Medical Research
Warakirri Asset Management
Western Australian Institute of Medical Research
Westmead Medical Research Foundation
Whitelion
Wise Community Investment
World Society for the Protection of Animals
World Vision
Youngcare
Youth Off The Streets

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