



A review of  
**philanthropy**  
in the **Australian**  
**Capital Territory**

Prepared for the Department of Disability,  
Housing and Community Services

February 2008





A review of philanthropy in the Australian Capital Territory

Prepared for the Department of Disability,  
Housing and Community Services  
GPO Box 158  
Canberra ACT 2601

February 2008



**URBIS TEAM RESPONSIBLE FOR THIS REPORT WERE:**

Associate Director	Claire Grealy
Consultant	Karen Olver




---

**Executive Summary ..... i**

**1 Introduction..... 1**

1.1 Background and aims of this project ..... 1

1.2 The structure of this report ..... 1

1.2.1 Methodology ..... 2

1.3 Final analysis and reporting ..... 4

**2 Nature and extent of philanthropy in the ACT..... 5**

2.1 Definitions of philanthropy ..... 5

2.2 Philanthropy in Australia and the ACT ..... 5

2.2.1 Philanthropy in the ACT..... 8

2.2.2 Volunteering in the ACT ..... 8

2.3 Factors influencing philanthropy..... 9

2.3.1 The size and population of the ACT ..... 9

2.3.2 Perceptions about funding..... 9

2.3.3 Capacity of NGOs..... 9

2.3.4 Increased accountability ..... 9

**3 The principle recipients of philanthropy and beneficiaries in the ACT ..... 11**

3.1 NGOs activities regarding seeking philanthropic giving ..... 12

3.2 An estimation of the contribution of philanthropy to the operation of NGOs ..... 15

3.2.1 Trusts and foundations ..... 17

**4 The adequacy of locally directed philanthropy in the ACT..... 20**

**5 Characteristics of philanthropic contributors..... 23**

5.1 Giving of money..... 23

5.1.1 Individuals..... 23

5.1.2 Trusts and foundations ..... 24

5.1.3 Giving by the business sector ..... 25

**6 Trends in philanthropic giving..... 26**

6.1 Corporate Social Responsibility and “selling” the power of the NGO brand ..... 28

6.1.1 Example from the US – tools for fundraising..... 29

6.2 Ten principles of fundraising ..... 31

**7 Impediments to philanthropy in the ACT ..... 33**

7.1 Ethical issues - no free lunch? ..... 33

7.2 Knowledge, skills, capacity and resources within NGOs ..... 34

7.3 Fundraising..... 35

7.4 The nature of the ACT ..... 36

**8 Models and practices in other Australian jurisdictions relating to government support for philanthropy ..... 37**

8.1 Government as facilitator..... 37

8.2 Government as participant ..... 38

**9 Options that could be pursued by the ACT Government..... 40**

9.1 Options to raise awareness of philanthropic giving opportunities ..... 41

---



9.1.1 Marketing of philanthropy .....41

9.1.2 Better equip the NGO sector in the ACT to take up opportunities .....42

9.2 Options to encourage growth in philanthropy in the ACT..... 42

**10 List of references.....44**

Appendix A Consultation list

Appendix B Resources

Appendix C Survey

**FIGURES:**

Figure 1 – Types of services provided by NGOs that responded to the survey (N=120 Multiple responses allowed) ..... 3

Figure 2 - Estimated average hours of volunteer contribution per week..... 9

Figure 3 - DGR status..... 10

Figure 4 - The various forms in which NGOs receive philanthropic giving (Multiple responses allowed) ..... 11

Figure 5 - Strategies for obtaining or sustaining philanthropic giving (multiple responses allowed) ..... 12

Figure 6 - The most effective strategies used for fundraising (multiple responses allowed) ..... 13

Figure 7 - Approximate percentage of budget set aside devoted to increasing philanthropic giving..... 13

Figure 8 - Approximate numbers of NGO staff with some responsibility for fundraising ..... 14

Figure 9 - Percentage of work time dedicated to obtaining philanthropic giving ..... 14

Figure 10 - Sources of philanthropic giving (Multiple responses allowed) ..... 15

Figure 11 - Approximate percentage of revenue that comes from philanthropy ..... 16

Figure 12 - The most significant benefits of philanthropy (Multiple responses allowed) ..... 20

Figure 13 - Giving in Australia Report 2005 – Survey of Business ..... 25

Figure 14 - An example of a Gift Pyramid..... 30

Figure 15 - An example of a Gift Table..... 30

Figure 16 - An example of a Gift Table summary ..... 31

Figure 17 - Main barriers for obtaining and sustaining philanthropic giving ..... 35

Figure 18 - The most significant ways in which to increase philanthropy (Multiple responses allowed) ..... 41

**TABLES:**

Table 1 - Percentage of NGOs receiving or pursuing philanthropy (Multiple Responses allowed)..... 10

Table 2 - Estimated income from philanthropic giving (N=99) ..... 16

---

## Executive Summary

Philanthropy is an act of giving, by individuals and businesses, for community benefit involving money, property, expertise or time. In Australia, philanthropic giving and the income that this provides for the not-for-profit sector has been of increasing interest for both the government and non-government organisations. Traditional views of philanthropy are changing. In this context the Department of Disability Housing and Community Services commissioned Urbis to undertake a review of the nature and extent of philanthropy giving in the ACT with the aim of identifying its adequacy, trends, impediments, and opportunities for growth.

Urbis surveyed a sample of NGOs in the ACT and undertook a series of in-depth consultations with key stakeholders.

Some of the key findings were:

- There is great interest in philanthropy in the ACT but a general lack of awareness of the details of how philanthropy is organised.
- The majority of NGOs have received or are receiving philanthropic giving. This is mostly in the form of volunteers, donations, grants and pro bono work. The majority of NGOs utilise volunteers, on average between 1-5 hours per week.
- NGOs appear to have some strategies in place to increase philanthropic giving, however, most do not set aside sufficient resources to implement these strategies. About half the survey respondents had received less than \$5000 in philanthropic income in the last twelve months.
- Two key impediments to philanthropy in the ACT were found to be: lack of awareness, skills and knowledge about philanthropy; and a perception that ethical issues may arise when NGOs are in partnership with the private sector.
- There is a wide variety of approaches, resources, tools and people that are available to assist the work of NGOs and increase philanthropy, most of which are underutilised by the NGO sector in the ACT.

There are two models in Australia that relate to government support of philanthropy, these are:

- Government as facilitator: for example the model used by the Prime Ministers Community Business Partnerships, where government encourages and facilitates collaborative working relationships between the NGO and private sectors.
- Government as participant: this draws on models that have tripartite relationships, made between, or ratified by government, the NGO sector, and the business sector.

Recommended options for the ACT Government to consider:

- Raise awareness of philanthropic giving through targeted marketing campaigns, and better equip NGOs to take up opportunities.
- Encourage growth in philanthropy in the ACT by promoting online giving and work place giving; encourage NGOs to seek DGR status; encourage work place giving; provide information and seminars about philanthropy; facilitate networking meetings with NGOs and ACT foundations; and support and encourage volunteering.

## Definitions

Deductible Gift Recipient: a Deductible Gift Recipient is a fund or organisation which is entitled to receive tax deductible gifts. There are many categories of DGR, and separate DGR registers for cultural and environmental organisations as well as overseas aid funds and harm prevention charities. Some kinds of philanthropic trust are also DGRs. Organisations have to apply for DGR status through the Australian Tax Office.

Net worth individual: a net worth individual or high net worth individual is a classification used to denote an individual or a family with high net worth. Although there is no precise definition of how rich somebody must be to fit into this category, high net worth is generally quoted in terms of liquid assets over a certain figure. The exact amount differs by financial institution and region.

Non government organisation: is a service based non-profit organisation whose members are persons not employed by a government often engaged in humanitarian and development work.

Philanthropy: philanthropy an act of giving, by individuals and businesses, for community benefit involving money, property, expertise or time.

Prescribed Private Funds: a prescribed private fund is a trust to which businesses, families and individuals can make tax deductible donations. It is prescribed by law. The fund may make distributions only to other deductible gift recipients that have been either endorsed by the Australian Tax Office or are listed by name in the income tax law. To be prescribed the fund must comply with the Government's requirements set out in Guidelines for Prescribed Private Funds.

Trust/Foundation: a trust or foundation is a legal categorisation of non-profit organisations. They often have charitable purposes. This type of non-profit organisation may either donate funds and support to other organisations, or provide the sole source of funding for their own charitable activities.

## Glossary

ACT Australian Capital Territory

PMCBP Prime Ministers Community Business Partnerships

PPF Prescribed Private Funds

DGR Deductible Gift Recipient

ABN Australian Business Number

DFCS Department of Family and Community Services (Commonwealth)

DHCS Department of Disability, Housing and Community Services (ACT)

NGO Non government organisation

## Limitations of this report

Although this review examined a range of material in extensive consultations, there were some imitations on the scope and depth of the study that needs to be noted, such as the following: much of the information has come from people's informed but often subjective observation; there is limited published evidence in the area of philanthropy in the ACT; and the limited time frame.

# 1 Introduction

## 1.1 Background and aims of this project

The Department of Disability Housing and Community Services (DHCS) commissioned Urbis to undertake a review of the nature and extent of philanthropy giving in the ACT, by both individuals and businesses, with the aim of identifying its adequacy, trends, impediments, and opportunities for growth.

The aims of the project were to:

1. Identify, analyse and report on philanthropy in the ACT including: its nature and extent; influencing factors; principal recipients, including local, national and international beneficiaries; characteristics of philanthropic contributors; and trends in philanthropic giving.
2. Estimate the contribution of philanthropy to the operation of charities, non-profit organisations and other community benefit organisations in the ACT.
3. Identify impediments to philanthropy in the ACT.
4. Assess the adequacy of locally-directed philanthropy in the ACT in terms of supporting a vibrant, diverse and sustainable non-profit and charitable sector in the Territory, and determine the extent to which ACT philanthropic contributions are directed to non-ACT beneficiaries.
5. Recommend options that could be pursued by the ACT Government to: raise awareness of philanthropic giving opportunities; and encourage growth in philanthropy in the ACT.
6. Examine models and practice in other Australian jurisdictions relating to government support for philanthropy (excluding direct financial contributions to philanthropic organisations).

## 1.2 The structure of this report

This report is separated into chapters which cover the following areas regarding philanthropy in the ACT:

- the nature and extent of philanthropy in the ACT
- the factors influencing philanthropy
- the principal recipients of philanthropic giving
- the characteristics of philanthropic contributors
- trends in philanthropic giving
- an estimation of the contribution of philanthropy to the operation of charities, non-profit organisations and other community benefit organisations in the ACT
- impediments to philanthropy in the ACT
- an assessment of the adequacy of locally-directed philanthropy in the ACT in terms of supporting a vibrant, diverse and sustainable non-profit and charitable sector
- an examination of models and practices in other Australian jurisdictions relating to government support for philanthropy
- recommendations and options that could be pursued by the ACT Government to: raise awareness of philanthropic giving opportunities; and encourage growth in philanthropy in the ACT.

### 1.2.1 Methodology

The methodology included a combination of qualitative and quantitative data collection techniques. Quantitative data was necessary in order to develop a well-informed estimation of the funding contribution being made to NGOs through philanthropy. Qualitative data enriched the quantitative data and provided more detailed information about the experiences of NGOs in the ACT seeking philanthropic funds. Qualitative research was used to gain the perspectives of philanthropists and other people working in the area of philanthropy.

The methods were:

1. A literature review covering: previous reviews or evaluations of philanthropy that have been conducted in other Australian states or territories; models of philanthropy used in other Australian states or territories; a select review of philanthropy models used in other countries; and other relevant reports or studies on philanthropy in Australia.
2. A survey of NGOs in the ACT to gauge the extent of philanthropy. There are approximately 3,000 NGOs in the ACT, and in conjunction with DHCS, a decision was made about the services that this survey would target. The survey (see appendix D) was sent via mail to five hundred community service providers and NGOs in the ACT on 8/10/07. An introductory letter from DHCS accompanied the survey introducing the project. This information was also put onto the DHCS website. The time frame for response to the survey was 4 weeks, ending on 5/11/07. A total of 120 completed surveys were returned by the due date. This represents a return rate of 24%.

The sample list for the distribution of the mail out was compiled with the generous assistance of the ACT Citizens Advice Bureau from their CONTACT list using the following key search terms: registered charities, Designated Gift Recipients, community organisation, public schools, libraries, library services, conservation and environment, families, children, aged, alcohol and drug services, multicultural and ethnic Services, mental illness, HIV AIDS, youth services, employment, low income earners, community centres, Churches and Temples, public galleries, head offices of charitable organisations, head offices of NGOs, cultural organisations, head offices for churches, environment, employment, disability, welfare, housing, youth, health and mental health services.

Respondents to the survey undertaken as part of this review were asked to indicate what best describes the target group for their organisation service or group (see Figure 1). Of the 106 respondents that answered this question 31% identified themselves as belonging to other groups outside of the categories provided. These included: support services for men, veterans and family services. Many of the services operate in more than one area, and multiple selections were allowed.

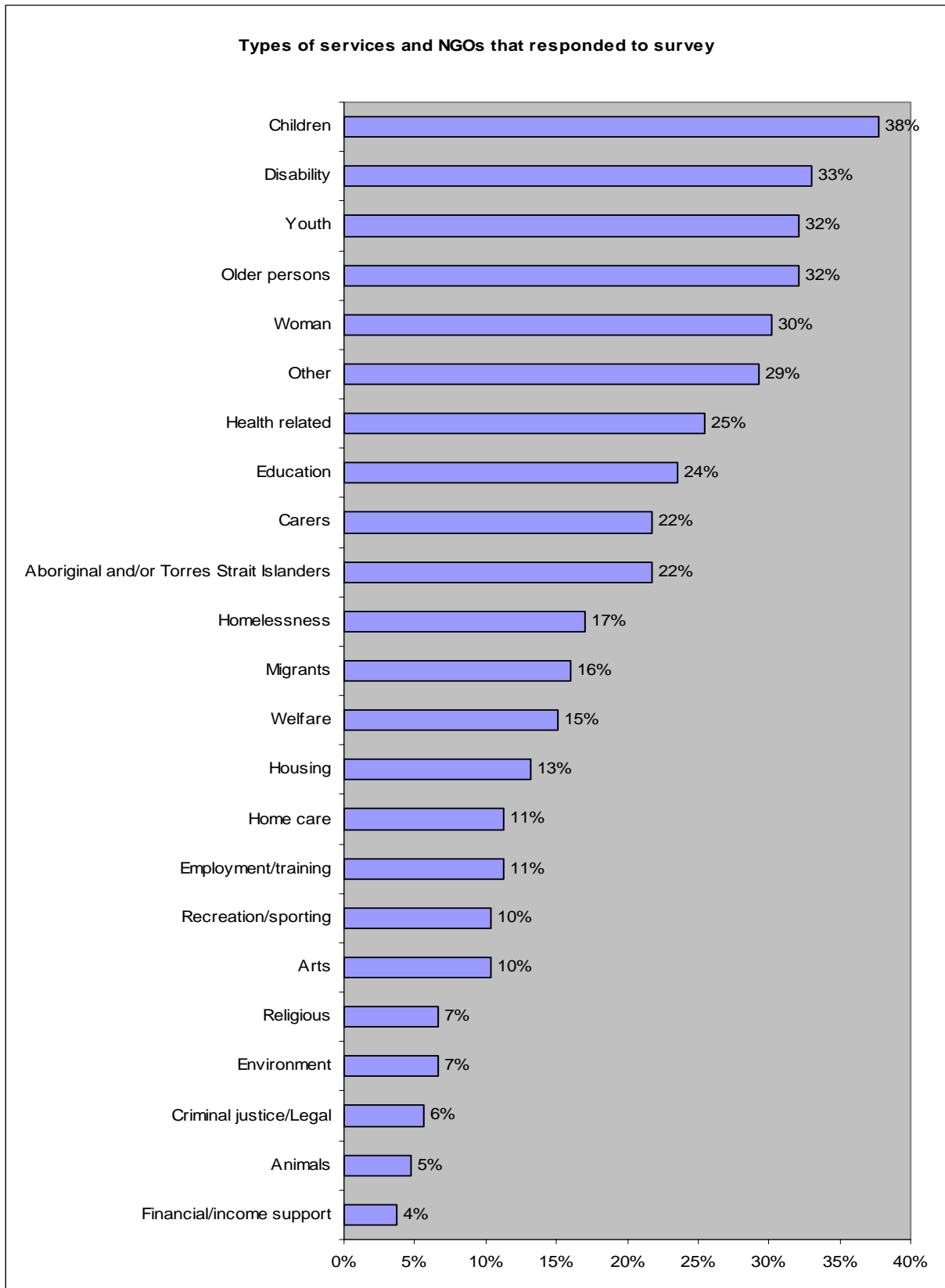


Figure 1 – Types of services provided by NGOs that responded to the survey (N=120 Multiple responses allowed)

3. Advertisements seeking written submissions were advertised in local Canberra papers over a period of two weeks in September, as well as through an advertisement in the Australian Capital Territory Council of Social Service (ACTCOSS) newsletter which was sent to all NGO peak bodies in the ACT. The closing date for written submission was 19/10/07. Eight written submissions were received. A list can be found in appendix B.
4. Structured interviews with key informants (some of which were informed by the outcome of the survey, where some of the major donors were identified). A full list of people consulted can be found in appendix A.

The outcomes of the survey, written submissions and interviews provided information on the following key issues:

- what are the characteristics of philanthropic contributors
- how the ACT government could create an environment that fosters philanthropy
- options/ideas for expanded philanthropy in the ACT
- influencing factors and barriers
- trends in philanthropic giving
- how to raise awareness of philanthropy and encourage growth in philanthropy in the ACT.

Please refer to appendix D for information on the exact terms of reference and a copy of the survey.

### 1.3 Final analysis and reporting

The returned surveys were coded, cleaned, and aggregated for analysis and reporting. Information gained from the key informants was compared with results of the survey as applicable. Grounded theory was used to construct the data to ideally get beyond static analysis to multiple layers of meaning. Open coding of the data and content analysis was used to make comparisons and allow for categorisation in order to interpret, understand and propose explanations. Content analysis is helpful as it can break down information, and assist in making connections between concepts.

## 2 Nature and extent of philanthropy in the ACT

### 2.1 Definitions of philanthropy

For the purpose of this review, philanthropy has been defined as an act of giving, by individuals and businesses in the ACT, for community benefit involving money, property, expertise or time.

There are of course other definitions, for example:

*The voluntary and unconditional redistribution of wealth, by the private sector; donors share their wealth, thereby causing a one-way transfer of wealth (Acs and Dana 2001 p64)*

*Philanthropy is the human aspect of wealth and is significant in the redistribution of wealth in society (Acs and Phillips 1999)*

*The planned and structured giving of money, time, information, goods and services, influence and voice to improve the wellbeing of humanity and community good (Philanthropy Australia 2007)*

*How different cultures define philanthropy is directed by the established cultural values of the community – and these are influenced by the extent and style of diversity in a society (Acs and Dana 2001 p65)*

### 2.2 Philanthropy in Australia and the ACT

*One of the many distinguishing features of Australian philanthropy is its secretiveness. Many individuals or companies who make gifts do not like this to be known. They claim to fear that others will then seek support and take up their time. Charitable trusts are, to varying degrees, infected with the same spirit... As a result of this secrecy, it is very difficult to obtain accurate information about them (Lyons 2001 p93)*

Philanthropy in Australia takes many forms, for example, corporate and business donations, Foundations and Trusts, Prescribed Private Funds, individual givers, responsible investment, Bequests/Wills, donations/pay roll deductions (work place giving), volunteering, donating skills, donating assets, corporate linked Foundations, awards, scholarships, sponsorships, cultural gifts, property, and fundraising. Philanthropy is regulated by both Commonwealth and State laws.

A large amount of charitable donating is through anonymous donors or through donations made directly to an organisation. Therefore it can be difficult to identify the extent of this type of “hidden philanthropy”. The amount of money involved in philanthropic donations or grants can range from small, one-off grants or donations, to large ongoing funding relationships between NGOs and private donors (QUT 2007).

In Australia in 2006, personal donations of money to organisations were made by 11.8 Million people. Concern for people's basic welfare needs, be they at home or abroad, still appears to be the greatest incentive for people to give money donations. Religious organisations, often having established practices of regular giving by members and adherents, were the next most common recipients (ABS 2006).

In 2001, the Australian Federal Government introduced a number of new measures to encourage philanthropy in Australia. This included changes to income tax law in May 2000 allowing tax deductibility for appreciated gifts of property worth more than \$5,000, and the introduction of a new category of private charitable fund, prescribed private funds (PPF). PPFs are funds established by a trust instrument to which businesses, families and individuals can make tax deductible donations in the form of money or property – similar to the US family foundation model. The first PPFs were established in 2001, and as of September 2006 there were 440 funds approved by Government. These funds have amassed a combined wealth of some \$500 Million and have supplied grants of \$52 Million to other charitable organisations (Philanthropy Australia 2007).

In 2002, Philanthropy Australia conducted the Survey of Australian Philanthropic Trusts and Foundations. This was the first such research project conducted in Australia (Philanthropy Australia 2002). In 2002 it was not possible to list all the trusts and foundations in Australia, and this is still the case as, there is no requirement for this information to be kept. It is estimated by Philanthropy Australia that there are several thousand trusts and foundations in Australia. The report estimated that the ACT received \$1.16 Million of grants made according to geographical location of grant recipient.

While the survey is limited, and there was little information on the ACT, it is interesting to note the following:

- The most common grant making frequencies were equally once a year or twice a year.
- Three quarters of respondents accept unsolicited applications for funding. In addition, 45% of these also approach specific applicants to invite them to apply for funding.
- The majority of respondents (70%) will fund projects that require multi-year funding.
- The most common mandatory requirement for grant applicants was Deductible Gift Recipients (DGR) status and more than half the responding trusts/foundations also required or preferred that applicants have an ABN.
- The majority of trusts and foundations were established in the 1990s.
- The majority of these are in Victoria.
- About half of the respondents required (33%) or preferred (11%) applicants to operate in Australia and a further 42% require or prefer applicants to operate in a particular state or territory only.

The distribution of trusts and foundations indicated the following division: family based (16%); private (13%); corporate (21%); community (19%); operating (18%); and other (13%). The most common program area priorities for grant making were to: social services/welfare (59%); health (57%); and education (49%). The most common population group grant making priorities were to: youth (48%); children (43%), and economically disadvantaged people (40%).

The report states that in the financial year 2001-2002 a total of 19,257 grant applications were received by responding trusts/foundations and a total of 5,281 grants made. This constitutes a 27% applicant success rate overall. The total value of all grants made was \$140.5 Million.

The main reason given for applicant failure was insufficient available funds (54%) although almost one third of responding trusts/ foundations (32%) considered that the main reason for failure was that applicants failed to meet the grant making guidelines of their trust/foundation.

The top four program areas receiving the most support in terms of value of all grants made were: health (30%); social services/welfare (19%); education (15%); and arts and culture (11%).

In 2003 the Australian Federal Government called for submissions on how to encourage philanthropy. Of the 160 submissions received, 1% of submissions came from the ACT (PMCBP 2003). It was noted that many of the submissions related to policies that are currently in place, raising the issue of improving public awareness.

The Centre of Philanthropy and Non-profit Studies' (CPNS) 2005 study of tax-deductible donations made by Australians in their individual income tax returns to DGRs found that between 2000 and 2005 tax deductible giving increased by 11.37 %. CPNS attributed largely to the Federal Government changes (CPNS 2007). Similarly, the 2005 Giving Australia Report commissioned by the Federal Government also found that there has been an increase in donations and other forms of giving in Australia in recent years. This includes giving of money as well as giving of time (volunteering). Furthermore, giving has increased among individuals and households as well as businesses. In 2005, the giving of money, goods and services to non-profit organisations by individuals and business was estimated to be worth \$11 billion (this figure excludes giving in response to the Asian Tsunami appeals in late 2004-early 2005) (DFCS et al 2005).

The Giving Australia report estimated that there are 700,000 non-profit organisations in Australia, most of which are small, and many of which are dependent on voluntary commitment. There are approximately 20,000 organisations with DGR status in Australia, 470 of which are in the ACT (ATO 2007). The following patterns emerged through the Giving Australia study with regard to the characteristics of non-profit organisations receiving philanthropic or donated funds:

- Community and welfare service organisations receive about one in eight of all dollars donated by adult Australians, one-quarter of all hours volunteered and 30 % of business giving.
- Health non-profit organisations, including medical research organisations, receive about one in six of all dollars donated by individuals, one in ten of all hours volunteered and almost 20 % of business giving.
- Religious institutions receive more than one in three of total dollars donated by individuals and about one in six of all hours volunteered.
- Education non-profit organisations receive about one in twenty of all dollars donated by individuals and business and about one in eight of all hours volunteered.
- Environment and animal welfare groups receive about one in twenty of all dollars donated by individuals, about one in forty of total hours volunteered and less than 1 % of the total giving from business.
- Sporting and recreation groups receive 3% of the total of all individual donations, about one in five of all hours volunteered and one in six of the dollar value of business giving.
- Arts and cultural organisations receive only a small proportion of individual donations and volunteered hours but receive almost one in ten of all dollars donated by business (DFCS et al 2005).

Non-profit organisations rely heavily on philanthropy, especially when you consider the number of organisations that are dependent on volunteer commitment. Access to more funds through philanthropy will allow for greater stability and improved service provision by the non-profit sector. However, looking at ways in which philanthropic giving can be supported and increased is not straightforward. It requires understanding of the complexity of factors that may increase motivation for giving, particularly within the corporate sector, as well as the factors that provide greater capacity for non-profit organisations to access and manage philanthropic funds.

Philanthropy can take many different forms. Identifying ways in which philanthropy can be supported and encouraged requires understanding the forms of philanthropy that are the most accessible and beneficial to the community sector, as well as the private sector and individual donors. For instance, the Giving Australia report found that while 51% of donations made during the study period were one-off donations, other forms of donation are more central to sustaining organisations in the longer term. This includes donations in the form of: regular and generous giving built on a long-term relationship with individual or corporate givers; large grants or sponsorship; and partnership with business.

Australian governments have put in place a number of strategies to support philanthropy. For instance, at the federal level in Australia, the Prime Minister's Community Business Partnership initiative has established measures that recognise philanthropy through awards like the Prime Minister's Awards for Excellence in Community Business Partnerships. They have also initiated a community business partnerships brokerage service and conducted events such as the Community Business Partnerships Week. These strategies have been devised around three core approaches: advocacy or the articulation and promulgation of the business case for corporate social responsibility and the community case for individual social responsibility, facilitation by the provision of information through publications, workshops, seminars and conferences, and; recognition which is achieved by promoting individual and corporate social responsibility. While measures such as this may or may not be appropriate for the ACT, these approaches are indicative of the type of strategies governments may be able to implement to foster greater commitment to philanthropy. In 2003 there were ten community business partnerships.

Building the capacity of the non-profit sector to access philanthropic funds is another means by which philanthropy can be increased. The Giving Australia report found, not surprisingly, that smaller non-profit organisations have a much more limited capacity for fundraising than larger, national or internationally based organisations. Small agencies were less likely to undertake major fundraising campaigns or have established business partnerships. This is largely because they did not have the existing resources to devote to fundraising, and possibly not the skills base needed to establish sustained fundraising initiatives among existing staff (DFCS et al 2005). In 2006 Australia's fifteen largest foundations annual disbursement was approximately \$81 Million (Philanthropy Australia 2007).

### 2.2.1 Philanthropy in the ACT

The Giving Australia report did not provide statistics on the amount of business donation in the ACT region. However, it did show that the amount of business giving in each Australian state was in close proportion to the number of businesses (with the exceptions of South Australia, which had 12 % of the giving but only 6 % of the businesses, and Queensland, which had 9 % of the giving compared with 19 % of the businesses) (DFCS et al 2005). Given that the ACT has a smaller number of businesses based in the region compared to larger cities, non-profit organisations in the ACT may be disadvantaged in terms of accessing funds from businesses. It is not uncommon for businesses to give preference to organisations based in their own local areas. This may be a challenge for the ACT Government and the non-profit sector in terms of increasing private sector philanthropy in the region.

That being said, a number of large national businesses, such as some major banks and shopping centres, have branches in the ACT region providing scope for funding partnerships. Individual giving is also comparable in the ACT to other regions.

To receive income tax deductible gifts, an organisation must be a DGR. Donors can claim income tax deductions for gifts to DGRs in their income tax returns. The CPNS study (2005) found that taxpayers in New South Wales donated an average of 0.42 %, followed by ACT taxpayers who donated 0.38 % of their taxable income to DGRs. This compares to the national average of 0.35 % (CPNS 2007).

### 2.2.2 Volunteering in the ACT

In Australia about 35,000 organisations employ over 600,000 paid staff and utilise the labour of over 4 Million volunteers (Woodward and Marshall 2004). The ACT and Queensland had the highest proportion of volunteers in 2006, with 38% of their population volunteering (ABS 2006). In 2006, volunteers contributed 730 Million hours of voluntary work nation wide. The annual number of hours contributed per year was 56 hours in 2006. In the ACT the average volunteer contribution was 52 hours per year in 2006 or about 4 hours a week. The activities most frequently reported by volunteers were fundraising, preparing and serving food and training (ibid).

In 2002, Volunteering ACT conducted a survey of organisations that were members of the Canberra Business Council in the ACT regarding the extent of volunteer activity. Listed below is a summary of the responses:

- Organisations that ran volunteer programs had up to 50% of their staff contribute.
- 87% of the people that volunteered were employed full time.
- Employer incentives to volunteer included; paid time off, recognition, company policy supports volunteering, and networking with other volunteer agencies.
- Reasons given to volunteer included: contribution to community, encouragement from employer, personal satisfaction, and doing something worthwhile.

In this project, of the 118 survey respondents to the survey that answered questions about the nature of volunteer use in the ACT by NGOs, 86% indicated that they use volunteers, and over half indicated that number of hours that were contributed by volunteers was between 1 and 5 hours. This reflects the ABS data (see Figure 2 below).

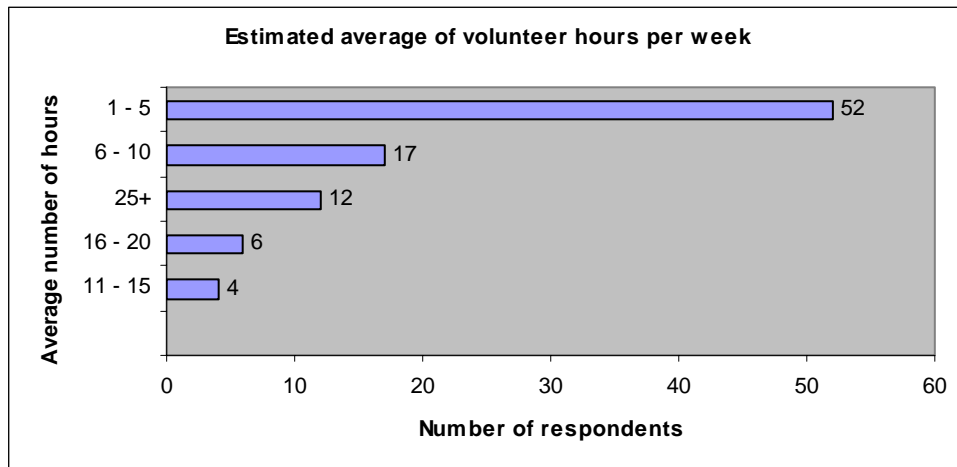


Figure 2 - Estimated average hours of volunteer contribution per week

## 2.3 Factors influencing philanthropy

There is no published research regarding factors that influence philanthropy in the ACT. However, several themes emerged from the interviews and written submissions which address the scope of the review.

### 2.3.1 The size and population of the ACT

The ACT has a relatively small population of about 350,000 people with an often transient population of professionals working in or sub-contracted to government departments. During the consultations people stated that they believed that this did not allow people to develop a true sense of community. That said, clearly people within the ACT do contribute highly in terms of volunteering. The Snow Foundation was cited as an example of a foundation that has a strong commitment to the local community.

### 2.3.2 Perceptions about funding

Another perception revealed in the research was that money given for philanthropic purposes left the ACT, as so many of the large NGOs had their head offices based there. This is difficult if not impossible to monitor, especially for larger NGOs.

### 2.3.3 Capacity of NGOs

The initiatives undertaken by the Federal Government to provide incentives to increase philanthropic giving had, according to some stakeholders, left some of the smaller NGOs behind, that is, they had neither the time, the skills, nor the capacity to undertake professional fundraising campaigns or attract businesses or net worth individuals. One large NGO indicated that they had several full time employees dedicated to increasing philanthropic giving, something that smaller NGO could not afford.

### 2.3.4 Increased accountability

Philanthropy has become an increasingly sophisticated process, and it appears that the days of receiving bequest and cheques in the mail are coming to a close. It seems that now donors are expecting much greater transparency from beneficiaries, as well as tangible outcomes from their donations. Donors that were consulted indicated that built within all financial giving is an expectation that the beneficiary will be able to show how the funds have been used and more importantly to what effect. For some of the smaller NGOs this may be burdensome, and there was the expressed perception that too much of the funds would get caught up in administration. However donors consulted

in this report indicated an increasing interest in working with NGOs to build relationships and trust, and have a more hands on approach.

Survey respondents were asked whether they had received philanthropic giving. The majority indicated that they had received or were currently receiving philanthropic giving. This is not surprising given the increasing reliance on philanthropy by some NGOs, notwithstanding it is interesting to note that one quarter of the respondents indicated that they do not receive any philanthropy.

There were 114 respondents to this question. 85% indicated that they had received philanthropy. 25% stated that they did not. The following table (Table 1) indicates a breakdown of the survey data for this question.

	total	%
<b>Currently receiving philanthropic giving</b>	59	69%
<b>Have received philanthropic giving</b>	48	56%
<b>Actively pursuing philanthropic giving</b>	46	54%
<b>Do not receive any philanthropic giving</b>	29	25%
<b>Other</b>	7	6%

Table 1 - Percentage of NGOs receiving or pursuing philanthropy (Multiple Reponses allowed)

“Other” indicates indicated a mix of pro bono, volunteers, or that they also engaged in philanthropic giving.

It is clear that DGR status is attractive for donors (Figure 3 below). As previously mentioned there are approximately 470 DGRs in the ACT. Most of the respondents indicated that they had DGR status, but one quarter did not, which would exclude them from tax deductible giving. Interestingly some did not appear to know what this was and needed more information, despite the fact that this initiative has been in place for several years.

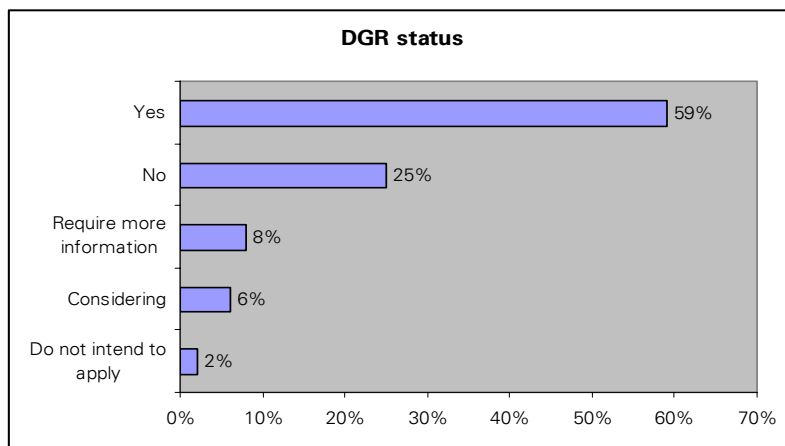


Figure 3 - DGR status

### 3 The principle recipients of philanthropy and beneficiaries in the ACT

Australian giving, as measured through the Giving Australia project, is estimated to be worth \$11 Billion per annum. Of this total \$7.7 Billion is given by individuals (87% of adult Australians) and \$3.3 Billion by businesses (67% of all businesses). Lyons (2001) estimates that approximately 65% of Australians belong to at least one non-profit organisation and about 40% describe themselves as active members. There are as many as 700,000 non-profit organisations in Australia, approximately half of which are incorporated as separate legal entities (ibid). Some 3,000 of these have been estimated to be in the ACT (ACT Citizens Advice Bureau 2007).

Figure 4 below provides a breakdown of the different types of philanthropic giving that NGOs receive. The results indicated that in the ACT the majority of giving came from volunteer contributions, donations and pro bono work. Less than 40% indicated that they had received philanthropic giving from trusts or foundations, or through fundraising. There were significantly fewer that indicated that they received sponsorships, bequests or had partnerships with businesses. Information collected from the consultations indicated that NGOs had to work hard for philanthropic dollars and that there is a great deal of competition for philanthropic giving in all its forms.

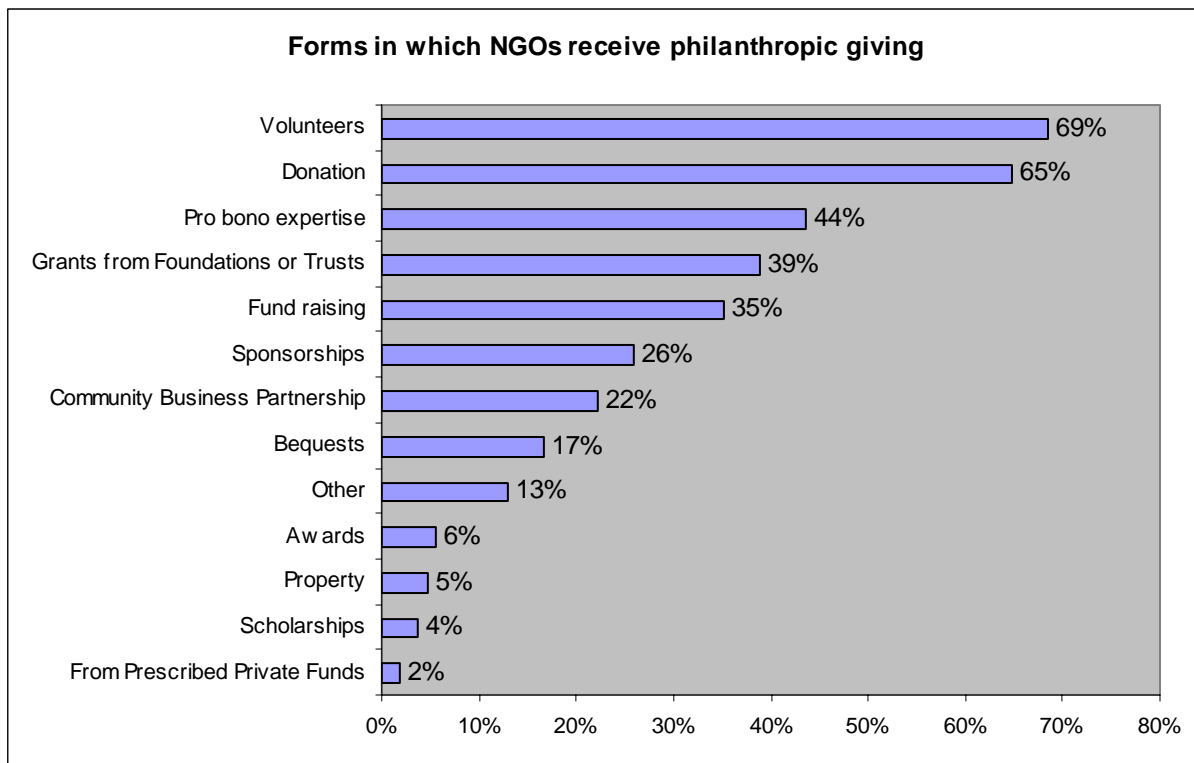


Figure 4 - The various forms in which NGOs receive philanthropic giving (Multiple responses allowed)

### 3.1 NGOs activities regarding seeking philanthropic giving

Survey respondents were asked what kind of strategies they use to obtain and sustain philanthropic giving. There were 99 responses to this question. As Figure 5 below illustrates, the respondents are involved in many different activities. Most are contacting donors, identifying prospective donors, keeping records and fundraising. Less than half are considering partnerships with business, diversifying donors or creating networks.

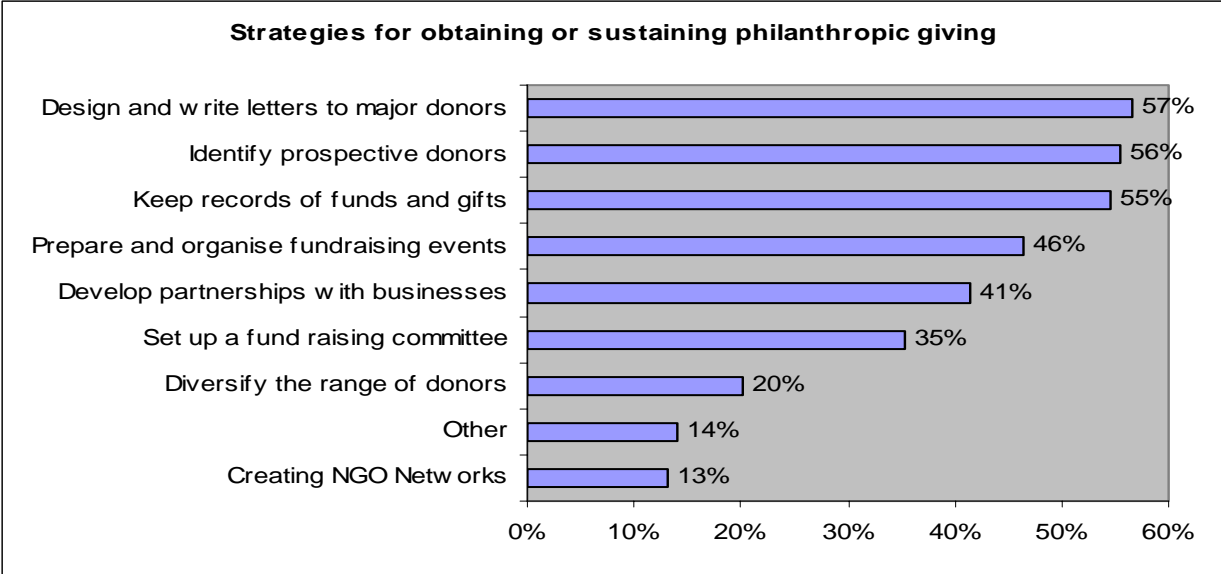


Figure 5 - Strategies for obtaining or sustaining philanthropic giving (multiple responses allowed)

Respondents indicated that they thought the most effective strategies for fundraising were generally: identifying prospective donors, fundraising events, contacting major donors, and developing partnerships with business. Few specified that establishing priorities was successful, keeping records, fundraising committees, creating networks and diversifying donors was considered effective (see Figure 6 below).

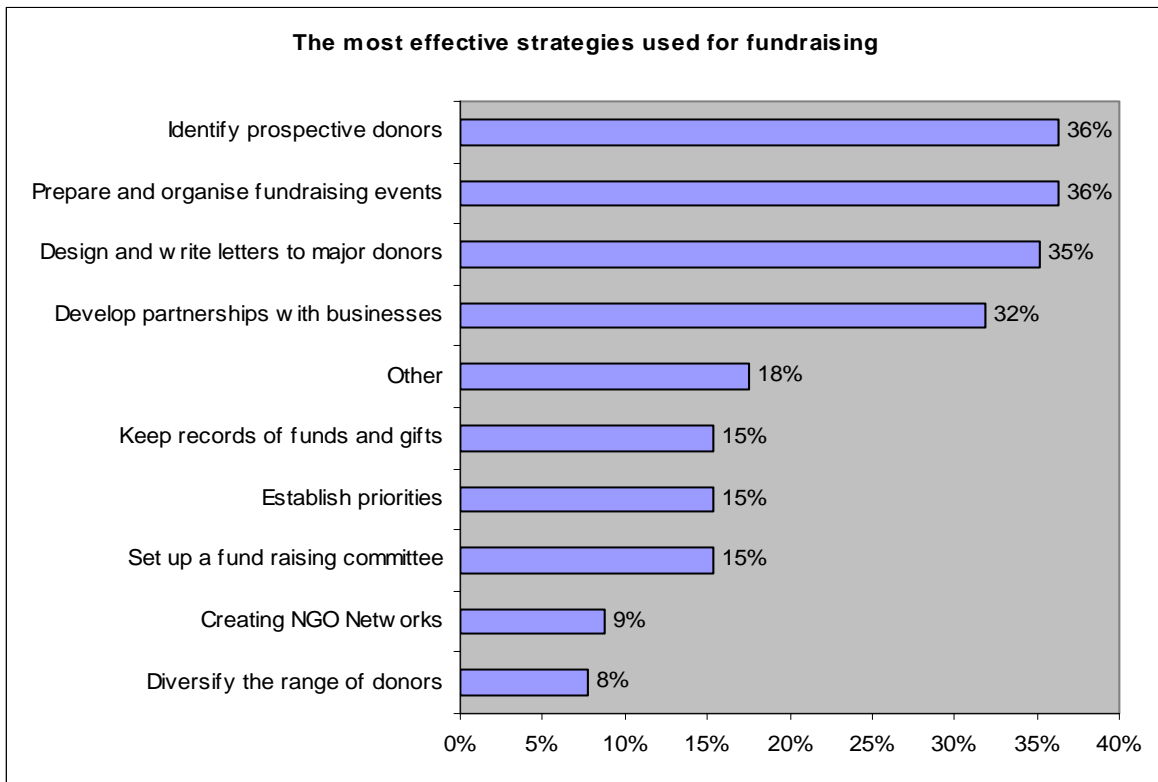


Figure 6 - The most effective strategies used for fundraising (multiple responses allowed)

However, majority of NGOs indicated that that did not set aside any of their budgets for the purposes of pursuing philanthropy (see Figure 7). Only some set aside approximately 1-5% and 6-10% of their budget and very few set aside more than this.

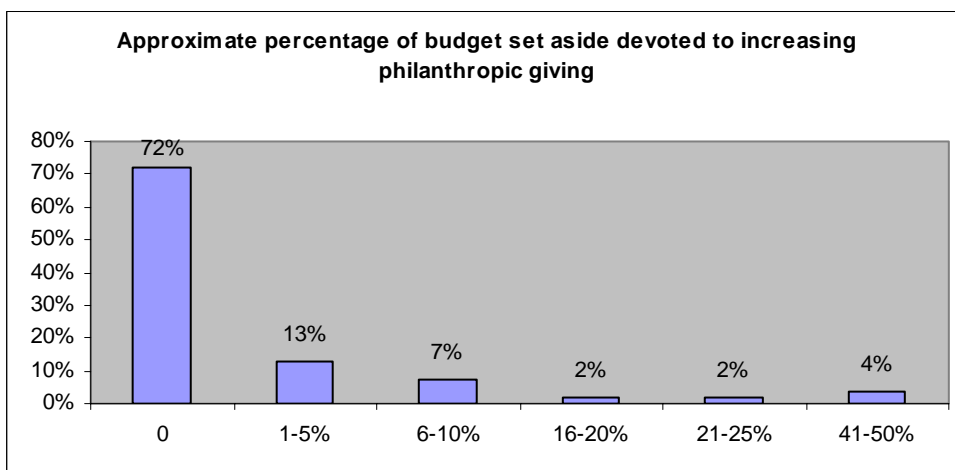


Figure 7 - Approximate percentage of budget set aside devoted to increasing philanthropic giving

This is also reflected in the number of staff within the NGOs that had roles dedicated to philanthropic giving (see Figure 8). Of the 64 NGOs that responded, 59% stated that they had no staff in a dedicated role, and 41% stated that they had between 1-3 staff in a dedicated role.

However, 69 respondents to the survey indicated that most NGOs had 1-3 staff with some responsibility for philanthropy (67%), although some NGOs still had no one (28%).

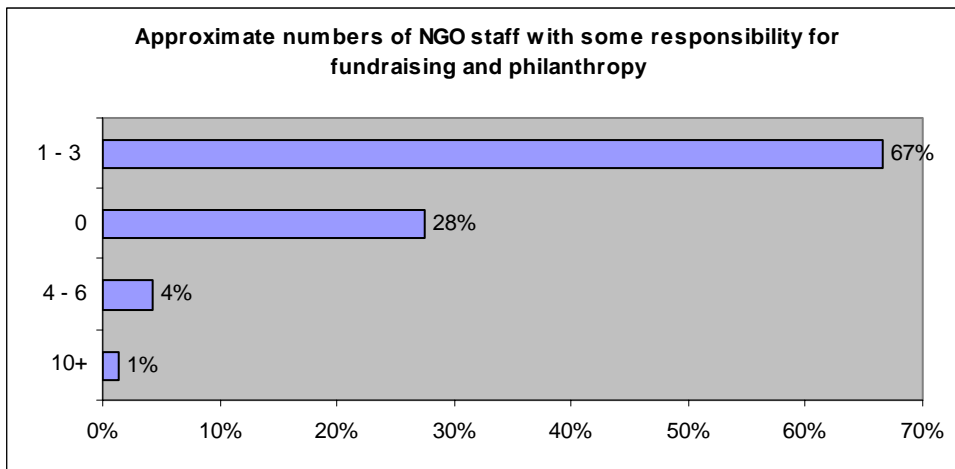


Figure 8 - Approximate numbers of NGO staff with some responsibility for fundraising

Survey respondents were also asked what approximate percentage of their working week these staff members would spend on pursuing philanthropic giving (see Figure 9). The majority of the respondents indicated they spent no time pursuing philanthropy (14) or 1-9% (19) of their time 11 respondents indicated they spent between 10-19%, 6 respondents indicated they spent 20-29%, and 3 respondents indicated they spent 40-100% of their time pursuing philanthropic giving.

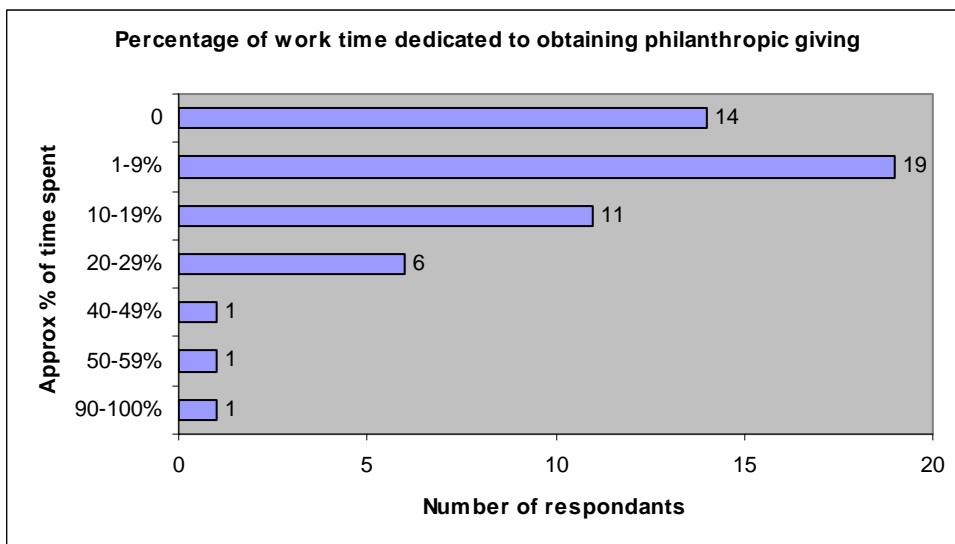


Figure 9 - Percentage of work time dedicated to obtaining philanthropic giving

**Conclusion**

From the survey it can be concluded that NGOs are very interested in increasing income through philanthropy but under invest in the pursuit of philanthropic giving in both terms of financial and human resources. During the consultations the impression was given that NGOs in the ACT had a so called scatter gun approach to philanthropy that was not very successful, that is, undertaking several actions/activities at once in an unplanned way. This underinvestment and lack of coordinated approach affects the success on NGOs in attracting, increasing and sustaining philanthropic giving.

### 3.2 An estimation of the contribution of philanthropy to the operation of NGOs

As mentioned, the Pareto Principle holds true in philanthropy and fundraising. In fact, studies of philanthropic trends show that contributions from individuals can account for up to 90% of annual donations (International campaign to ban landmines 2007).

It is not surprising therefore that the majority of giving in the ACT appears to also come from individuals (see Figure 10 below). The survey showed that clubs (like Rotary and Lions) and societies (like the Freemasons) fell into the 'other category'. Except for IBM, the other businesses that were indicated on the survey were local business within the ACT, for example, legal services, rather than large corporations.

It was not possible to obtain a breakdown of exactly how much philanthropic giving goes out of the ACT, or what is the nature of philanthropy that is donated from outside the ACT. This information appears either to not be kept or parties are unwilling to disclose this information, indeed there are no statutory requirements that they do. It was noted in the submission from GreaterGood that many funds leave the ACT to benefit non- ACT beneficiaries, at the same time it is important to acknowledge that donors have wishes that need to be recognized. Many donors have been supporting particular charitable activities for many years and see their giving as philanthropic where ever the funds go, and this should continue to be encouraged. The challenge for the ACT NGOs is to attract contributions within the local community.

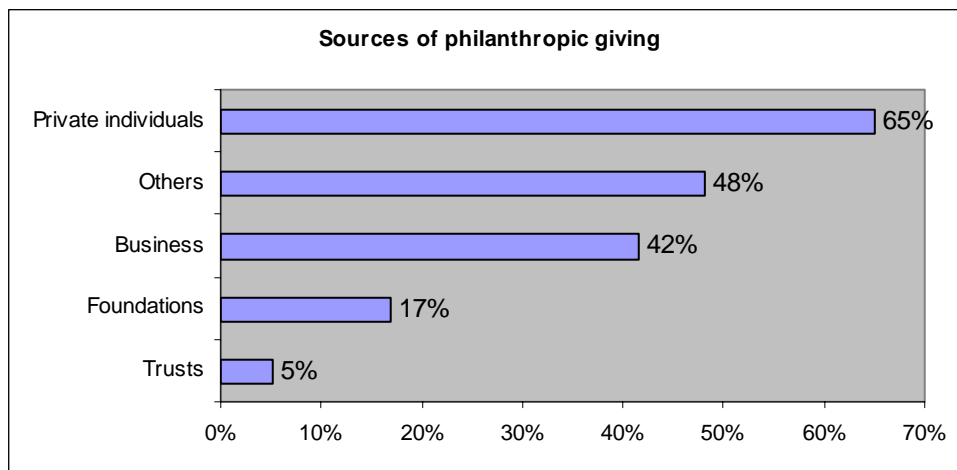


Figure 10 - Sources of philanthropic giving (Multiple responses allowed)

Respondents were asked for more detail about fundraising, and to estimate the amounts of financial income that would qualify as philanthropic giving. Given that NGOs indicated that most of philanthropic giving is in the form of volunteers and pro bono work, most receive donations, and that most do not have a budget set aside to pursue philanthropy or dedicated staff, it is not surprising that the amounts received are relatively low.

The principle foundations and trusts that were named in the survey were the Snow Foundation and GreaterGood. It is also interesting to note in the submission from Public Trustees (PTACT) they report to hold over 10,388 Wills for Canberrans, and of Wills written in 2006-2007, 10% included a provision for charity. PTACT noted that there has been an increase in settlement of larger capital funds with income only to be directed to charities, as well as *inter vivos*.<sup>1</sup> These contributions may or may not be directed within the ACT.

<sup>1</sup> Latin meaning "during life" – used to describe a gift made during a person's lifetime (as opposed to a bequest in a will) or a trust.

Respondents were asked to estimate the income they had received through philanthropic giving. Of the 99 total responses: nearly half or 48% indicated they received less than \$5,000, 19% between \$10,000 and \$24,000, 11% \$5,000 - \$9,999, 7% between \$25,000-\$49,000, 6% between \$50,000 and \$99,999, 3% received between \$100,000 – \$249,999, and finally 5% received \$250,000 or more (see Table 2). .

Less than \$5,000	48%
\$5,000-\$9,999	11%
\$10,000-\$24,999	19%
\$25,000-\$49,999	7%
\$50,000-\$99,999	6%
\$100,000-\$249,999	3%
\$250,000-\$499,999	2%
500000 +	3%

Table 2 - Estimated income from philanthropic giving (N=99)

Respondents were also asked to estimate the total financial contribution from philanthropic giving to their total organisational revenue. There were 86 respondents to this question. As Figure 11 illustrates below, and again not surprisingly, most of the respondents confirmed that they receive either no income from philanthropy (17%) or it makes up only 1-9% of their revenue (52%). 14% of respondents stated they obtain 10-19%, and a very small number (3%) received 90-100% of their revenue from philanthropy.

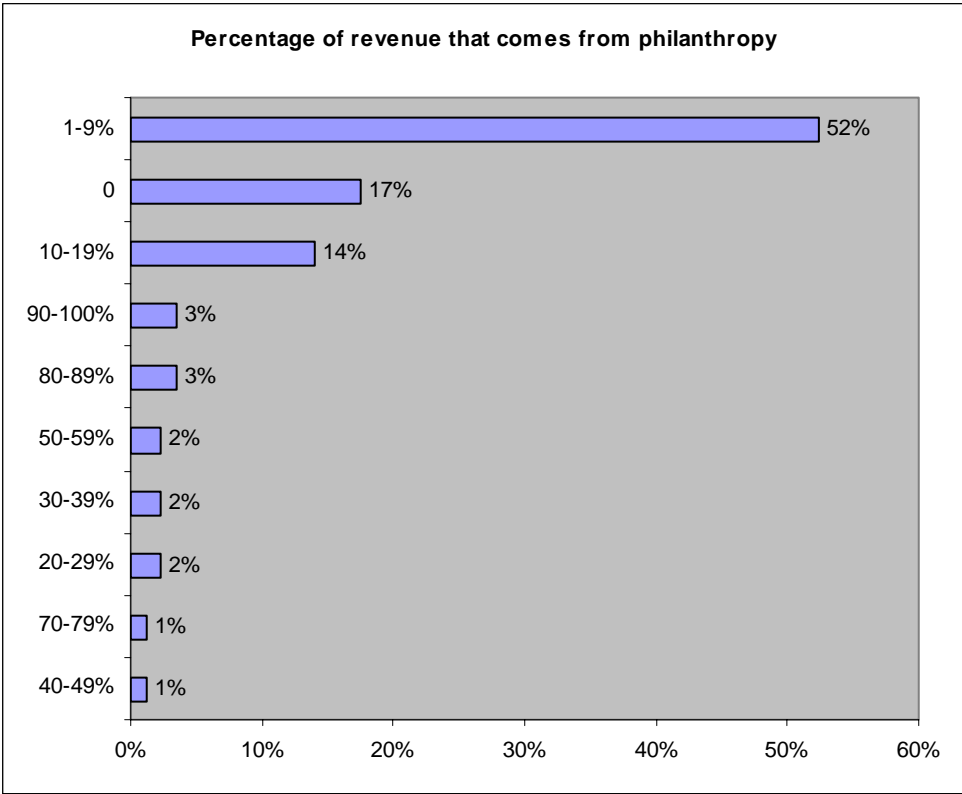


Figure 11 - Approximate percentage of revenue that comes from philanthropy

### 3.2.1 Trusts and foundations

#### *GreaterGood*

The Capital Region Community Foundation, known as GreaterGood, is a public charitable trust established in 2003. GreaterGood is a community based, independent organisation, which operates with the support of the Public Trustee for the ACT and an independent volunteer Board and Management Committee.

Capital within GreaterGood has grown to \$3.5 Million since 2003, with distributions totalling \$286,000.00. GreaterGood held its third distribution round in June of 2007. Since its inception GreaterGood has distributed approximately \$300,000 to about 24 charities and charitable activities in and around the Capital region, interstate and overseas, including \$130 Million in 2007.

The main recipients were:

1. Anglicare Australia
2. AUSTCARE
3. Australian Committee for UNICEF Limited United Nations Children's Fund
4. Australian Kidney Foundation
5. Australian Red Cross Society
6. Care Australia
7. Children's Cancer Institute of Australia
8. Christian Blind Mission International (Australia)
9. Christian Children's Fund of Australia Ltd
10. Epilepsy Association ACT and Research Victoria
11. Legacy
12. Leprosy Mission Australia
13. Medecins Sans Frontiers Australia
14. Mission Australia
15. Open Family
16. Oxfam Australia
17. Schizophrenia Australia Foundation
18. Society of St Vincent de Paul Pty Limited
19. TEAR Australia
20. The Fred Hollows Foundation
21. The Salvation Army (NSW) Property Trust
22. The Spastic Centre of NSW
23. Vision Australia
24. World Vision of Australia

In addition, scholarships were awarded to:

- Study at the Australian Catholic University ACT
- Attend Outward Bound ACT
- Hidden Corners a respite centre for young Carers in the ACT.

From their submission, GreaterGood report that if there were not philanthropic individuals and businesses in the ACT that were able to give their support through administration and time and talent, organisations such as GreaterGood would not be sustainable.

### *The Snow Foundation*

The Snow Foundation was established by two brothers that were born and raised in the ACT and have a strong commitment to the community. The Snow Foundation advertises each year for grants and receives about forty applications. The foundation aims to assist those who are most marginalised.

There are four key areas for which they provide grants and funds:

- the disadvantaged
- the disabled
- health issues
- marginalised youth (mostly focused on education).

They give only within the ACT up to \$150,000 per year (Snow Foundation 2007), with all requests assessed by their Board in line with stated criteria. Some of the principle recipients include:

1. St John's Care, providing breakfast to children at Ainslie Primary School
2. ACT Cancer Society, funding for their wig service
3. Barnardos
4. Belconnen Community Service
5. Lions Youth Haven
6. L'Arche Genesaret
7. Noah's Ark
8. Woden Special School
9. Open Family
10. Smith Family
11. Friends of the Brain Injured
12. The Billabong Aboriginal Corporation
13. St. John's Care
14. Action for Autism
15. Scouts ACT
16. Noah's Ark Resource Centre
17. ACT Cancer Society
18. Pegasus Riding for the Disabled

## 19. Community Programs Association

The Foundation has also assisted with the employment of part-time medical specialists and the purchase of vital medical supplies and equipment including: wheelchairs for people with a disability; circus stilts to help children with balance and movement; art supplies for the Painting with Parkinson's program; kitchen utensils for the sight impaired; sleep monitors; and furniture. Since 1990, the Snow Foundation has given \$1.3 Million to NGOs within the ACT.

### *Community CPS Foundation*

The Community CPS Foundation raises and distributes charitable funds within the community, and was launched in August 2007. The Trust manages two funds: the Community Gift Fund, which receives donations from members of the general public, together with voluntary contributions from CPS employees; and the Community Support Fund, which is built up by contributions from Community CPS' annual profit.

The following are the key areas of focus for the Community CPS Foundation:

- recreation
- environmental sustainability
- financial literacy
- health and safety (for example disability services, heart disease prevention)
- economic development
- education.

Some examples of projects funded by the Community CPS Foundation include: The Newborn Intensive Care Foundation received \$25,000 from the Foundation for the purchase of an overhead incubator; and Life Education ACT received \$10,000 to provide schools education programs to reduce tobacco use and illegal drug use amongst young people, to encourage avoidance or delay of alcohol and reduce the harms associated with drug use (CPS 2007).

## 4 The adequacy of locally directed philanthropy in the ACT

Survey respondents were asked what benefits they see as resulting from philanthropic giving, and which of these are most significant. The majority of respondents to the survey stated that philanthropic giving can provide for significant donations of time and expert help. Over half indicated that it helps their organisation to be more diverse and vibrant, as well as giving them more freedom and had less strings attached. However, when asked what the most significant benefits were, the responses were surprisingly different. Most indicated that the most significant benefits were that philanthropic giving helped fund both core functions as well as additional services. During the consultations it was widely reported that the community sector is undercapitalised. The survey results are shown in the figure 12 below.

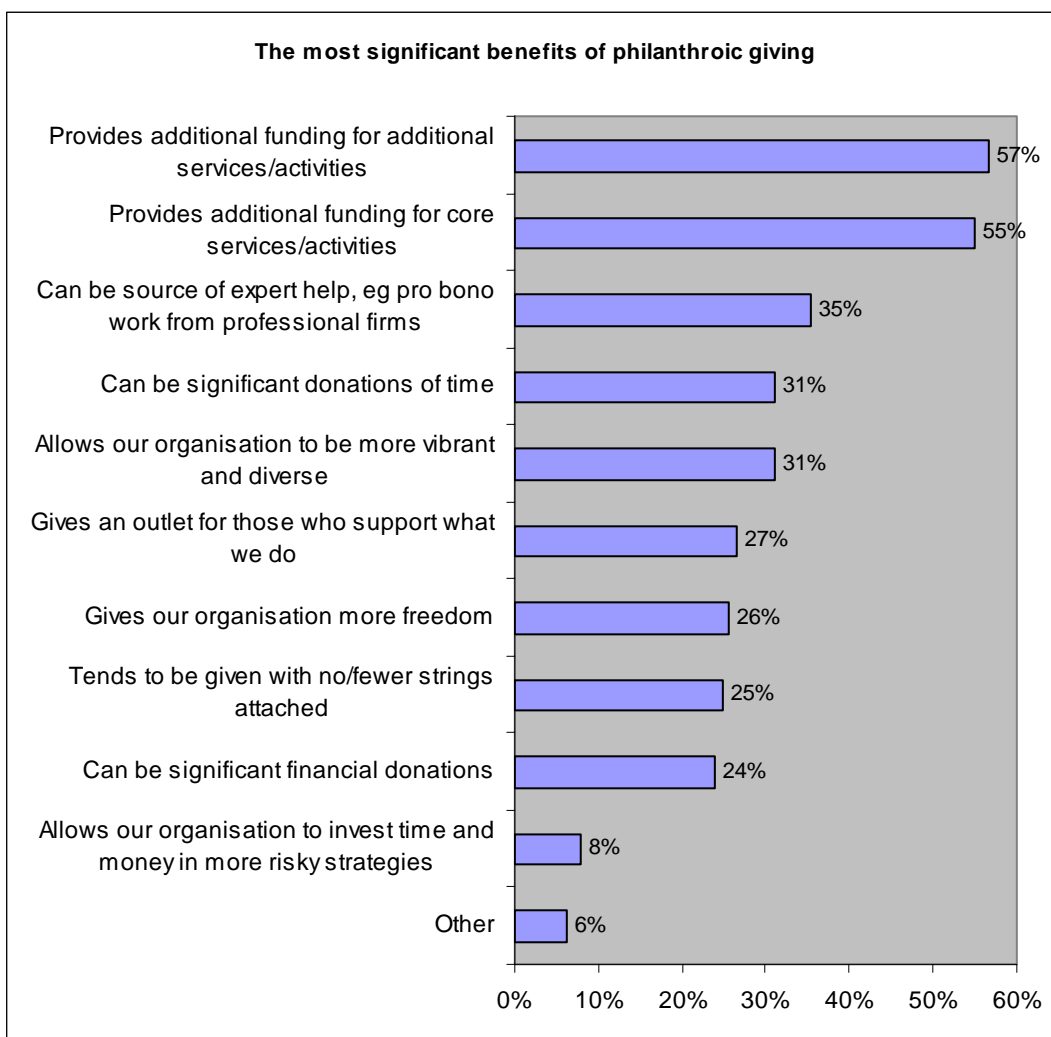


Figure 12 - The most significant benefits of philanthropy (Multiple responses allowed)

It was noted in the written submission received from GreaterGood that the challenge for the ACT and indeed the immediate region is that people who work and play in and around the Capital region was increasing awareness of the opportunities for giving that are in the ACT.

In the written submission from ACTCOSS, results from the Community Sector Survey show that the ACT community sector organisations generate 8% of their revenue as own source income (ACTCOSS 2007 p94), for example, income from the sales of goods and services. ACTCOSS reported that the

ACT's philanthropic base is proportionately smaller than other jurisdictions, and that this maybe related to the ACT's smaller size, a larger proportion of public sector activity in the ACT economy, and the lack of large private corporations based in Canberra.

The following information in the rest of this chapter has been taken directly from the ACTCOSS written submission.

Community organisations are often not able to gain optimal philanthropic resources due to: lack of knowledge, skills and/or human resources; difficulty sourcing the initial resources to attract philanthropic funding; and concerns about the risk involved with the variability and quality of a philanthropic resource base.

In many cases, organisations are unaware of the potential of philanthropic resources, and drawing their attention to these issues in an increasingly complex funding and service delivery environment is often difficult. While many organisations would love to have the capacity to grow their philanthropic resource base, they are already stretched to capacity managing their current responsibilities, and there is often a perception that seeking philanthropic resources will require a high amount of time and investment with uncertain returns.

In these circumstances, even some simple educational resources and professional development activities in this area may have some impact. ACTCOSS runs occasional seminars on improving organisations funding and resources, and we find that there is often a lack of awareness about how to go about locating philanthropic funding or conducting simple fundraising activities. On the other hand, ACTCOSS perceive there is limited knowledge among potential donors or philanthropic organizations about the community sector (its extent and services it provides), with the possible result that their resources tend to be channelled to larger, more visible organisations.

ACTCOSS welcomes and encourages community organisations to increase their resources through use of philanthropic giving. However, they also counsel that this should not be seen as a substitute for government funding, and in particular they stressed that philanthropic giving should not be viewed as an alternative to the provision of sufficient government funding to community sector organisations. From this perspective, ACTCOSS raised a number of issues about the nature of philanthropic resources, which are discussed below.

#### *Philanthropic resources often come with costs and obligations*

ACTCOSS stressed that philanthropic resources are not free resources. This point is made in the context of the anecdotal reports that were received from organisations that funding bodies and funding managers sometimes make the suggestion that part of the cost of service delivery or certain overheads should be met from some other source, and not funded by government. Indeed, in some funding programs, particularly those managed by the Australian Government, some overheads are specifically excluded from being paid out of government funding, such as accommodation costs, administrative support or capital equipment required to complete the project. In other cases, grants programs require organisations to specify a financial or in-kind contribution to the project as a condition of receiving funding.

However, philanthropic contributions are not always useful in covering these types of expenses. In many cases, corporate philanthropy programs also have conditions about the use of funds, wishing them to be expended on defined service delivery outcomes and not used to simply subsidise other services. Further, many philanthropic funds are specifically interested in funding services that are not funded by government, rather than duplicating services that are seen to be a government funding responsibility.

Further, even where there is no explicit direction on the use of funds, there are still expectations about their use. For instance, recent commentary of the use of tsunami funds<sup>13</sup> demonstrates that use of donations for administrative costs is often disapproved of, and may harm an organisation's reputation. Finally, the collection and promotion of donations and fundraising, and employment of skilled staff for fund-raising and attracting philanthropic resources also has cost implications for an organisation. Funding these resources can be difficult, particularly where most sources of revenue, whether from

government or otherwise, may not be appropriate for these activities. Similarly, while volunteers may provide labour, supporting, supervising and training these volunteers still has cost implications.

ACTCOSS particularly drew attention to the concern that community organisations report that government agencies behave in some instances as if philanthropic revenue does not have cost implications in terms of its generation and maintenance.

#### *Variability and reliability of philanthropic resources*

Another source of concern raised by ACTCOSS in their submission related to the unpredictability philanthropic resources. The receipts from fundraising can be hard to predict, and the resources provided free of charge, including volunteer labour and pro-bono professional work is not always of the same quality as paid employment. Similarly, these resources are subject to fluctuations in supply, and it is not unusual for volunteer reliant services to report high turnover in volunteer staff, with its consequential implications for continuity, training and organisational memory.

Where the contribution of philanthropic resources is small, but an organisation that is dependent on large amounts of philanthropic resources is exposed to a higher degree of risk as a result of their variability. For organisations highly dependent on philanthropic resources, their variability has substantial implications for service sustainability and also requires additional planning and financial reserves to ensure continuity during periods where philanthropic resources are in short supply.

#### *Allocative effectiveness*

ACTCOSS also indicated that philanthropic giving is rarely distributed in proportion to need. For instance, while the Asian tsunami attracted record levels of donations from the Australian public, there remain people in much worse situations all over the world who do not receive this type of response. Community organisations are aware that donations often flow to issues and activities that attract public and media attention rather than being directed towards assisting people in the greatest need. A systemic concern with relying on philanthropic giving is that the distribution process will often favour certain organisations and forms of assistance over others, with little reference to their relative need or effectiveness.

Further, philanthropic funds will often flow to those organisations most able to provide the resources needed to attract them. This tends to favour larger organisations over smaller ones, who tend to have a broader revenue base over which to spread fundraising costs. Over-reliance on philanthropy has the potential to influence structural change in the community sector, with a possible loss of diversity the result.

## 5 Characteristics of philanthropic contributors

It is important to acknowledge that donors can be those who donate money, property, time or talent. According to Jerold Panas – Chief Executive Officer of one of the United States largest firms in the field of campaign services and financial resource development, and author of *Mega Gifts*, the most important factors influencing a donor to make a positive gift decision are:

- Belief in the mission of the institution.
- Community responsibility and civic pride.
- Fiscal stability of institution.
- Regards for staff and volunteer leadership.
- Service on a board or committee.
- The least compelling factors influencing a positive gift decision:
  - Tax considerations.
  - Appeal of proposals or promotional material.
  - Guilt or obligation.

### 5.1 Giving of money

There has been no conclusive study completed in the ACT that indicates the characteristics of contributors, and while some observations have been made during the research phase of this project, these do not allow a comprehensive description of the nature and extent on contributions in the ACT to be provided here. However, the Giving Australia Report does provide some information about nature and extent of contributions at a national level.

#### 5.1.1 Individuals

The Giving Australia report found that individuals give in three keys ways: spontaneous giving, that is, not planned; “as a believer to causes”, that is, people believe the cause without any prior engagement, and were most often planned, for example, automatic pay roll deductions; and, proactive, that is, when people are strong supporters of causes and give larger amounts of money on a regular or annual basis (p10).

Wealthy individuals indicated that they were more inclined to give money rather than time. However, some donated time to act on Boards and committees. They have a desire to support what they consider to be “worthy causes”, and show greater interest in the use of foundations and trusts. It was noted that few wealthy individuals “discussed or promoted giving” concerned that this would result in increased requests or being made to feel guilty. This group were very interested in “in new and innovative projects or their own projects where it was possible to place their personal stamp on things” (p11). Wealthy givers reporting holding certain perceptions with respect to their roles, which include: “social level giving”, at functions and fundraising events, this tended to be more reactive; as “change agents” donating large amounts (\$10,000-50, 000) to causes that they were personally affected by or committed to; and finally, “high sustained giving” which most often occurs through foundations or trusts and tends to be enduring.

During consultations undertaken as part of this project, concerns were expressed that while individuals wanted to give, they often did not know where or how to give. There are few resources that allow people to make informed choices. There is one website [www.givewell.com.au](http://www.givewell.com.au) which is the first organisation in Australia to provide a comprehensive research service for informed giving. There are similar sites in the United States such as [www.charitynavigator.org](http://www.charitynavigator.org) and [www.guidestar.org](http://www.guidestar.org). The Givewell site charges fees for service whereas the U.S. sites do not.

### 5.1.2 Trusts and foundations

*In our experience many philanthropists are looking for creative and entrepreneurial charities that are able to demonstrate that they are results driven. They do not believe that government is solely responsible for solving issues within the community and often believe that charities are best placed to find innovative and effective solutions whilst government continue to deliver essential services (Written submission – Perpetual)*

Philanthropy Australia reports that they have only two members from the ACT, the Snow Foundation and GreaterGood, even though there are reportedly 23 cultural grant providers in the ACT (PMCBP 2007). As previously mentioned, in 2002, Philanthropy Australia conducted the Survey of Australian Philanthropic Trusts and Foundations. In 2002 it was not possible to list all the trusts and foundations in Australia, and this is still the case at the moment as there is no requirement for this information to be kept. It is estimated that there are several thousand trusts and foundations in Australia.

The survey in 2002 received back 63 of the 196 questionnaires that were distributed. According to the report, 3% (5) of the surveys went to the ACT. There was no response to the survey from the ACT. The report estimated that the ACT received \$1.16 Million of grants made according to geographical location of grant recipient.

About half of the respondents to the 2002 survey required (33%) or preferred (11%) applicants to operate in Australia and a further 42% require or prefer applicants to operate in a particular state or territory only. The distribution of trusts and foundations indicated the following division: family based (16%); private (13%), corporate (21%); community (19%); operating (18%); and other (13%). The most common program area priorities for grant making were to: social services/welfare (59%); health (57%); and, education (49%). The most common population group grant making priorities were to: youth (48%); children (43%), and economically disadvantaged people (40%).

The report states that in the financial year 2001-2002 a total of 19,257 grant applications were received by responding trusts/foundations and a total of 5,281 grants made. This constitutes a 27% applicant success rate overall. The total value of all grants made was in excess of \$140 Million.

The main reason given for applicant failure was insufficient available funds (54%) although almost one third of responding trusts/ foundations (32%) considered that the main reason for failure was that applicants failed to meet the grant making guidelines of their trust/foundation. The top four program areas in terms of value of all grants made were: health (30%); social services/welfare (19%); education (15%), and arts and culture (11%).

Consultations conducted as part of this project revealed that, trusts and foundations are primarily interested in “giving a hand up not a hand out”. Perpetual giving is encouraged by trusts and foundations and is promoted as creating a legacy and a living heirloom. Philanthropists want to create effective and sustaining models of philanthropy. They were mostly focused on giving to community welfare, education, targeting disadvantaged and marginalised groups community development and health.

Developing working partnerships with NGOs were seen as being very important, and there appeared to be increasing interest in developing close relationships with the NGOs. Managers of trusts and foundations wanted to hear personal stories from beneficiaries, and promote the publication of their philanthropy. They also reported that they wanted more information from the beneficiaries about how money was spent, and were aware that this required an increase in professionalism of some NGOs. Interestingly, there was also an increased focus on due diligence and the financial status of the NGO itself, with some foundations and trusts completing a risk assessment as part of their grant application process. They also indicated that they were locking in funding for a period of years but this required regular reviews of projects that are funded. Consultations with donors indicated that philanthropic contributors have become more forward looking, wanting to see outcomes and results, or rather the changes that have come about as a result of their giving.

*The Community Foundation*

In their written submission Perpetual noted that Community Foundations are growing in Australia with over twenty-eight currently in existence. These foundations provide an opportunity for individuals who have charitable intent to set up a named fund. Community Foundations use the Public Trustee as trustee and funds manager and are audited by the Auditor General on an annual basis. The accounts are published annually and the board and management committee are chosen from the community (GreaterGood submission).

One of the most difficult things for all charities is to become sustainable. As a general rule when funds are being raised the last thing that donors want to hear is that their donations are being used to cover administration costs. This is of course allowable under the tax rules but donors can be fickle. A Community Foundation allows donors to have greater input into their philanthropic giving by establishing their intent upfront. Currently GreaterGood has 19 named funds in the Gift Fund and 3 funds in the Open Fund (ibid).

5.1.3 Giving by the business sector

The Giving Australia study’s Survey of Business found that Australian Businesses donated \$3.3 Billion in the 2003-04 financial year. Over half of all business had made some form of donation (67% of all Australian businesses). The nature of business donations consisted of: 68% in money (\$2.21 Billion); 16 % in goods (\$0.52 Billion); and 16 % in services (\$0.52 Billion). Money was given in the form of donations (\$1.9 Billion), sponsorship (\$0.81 Billion) and community business projects (\$0.54 Billion) (DFCS et al 2005). Giving was more likely to be made by larger businesses (in terms of number of employees) (p17).

Figure 13 below shows the types of giving reported in 2005 by businesses.

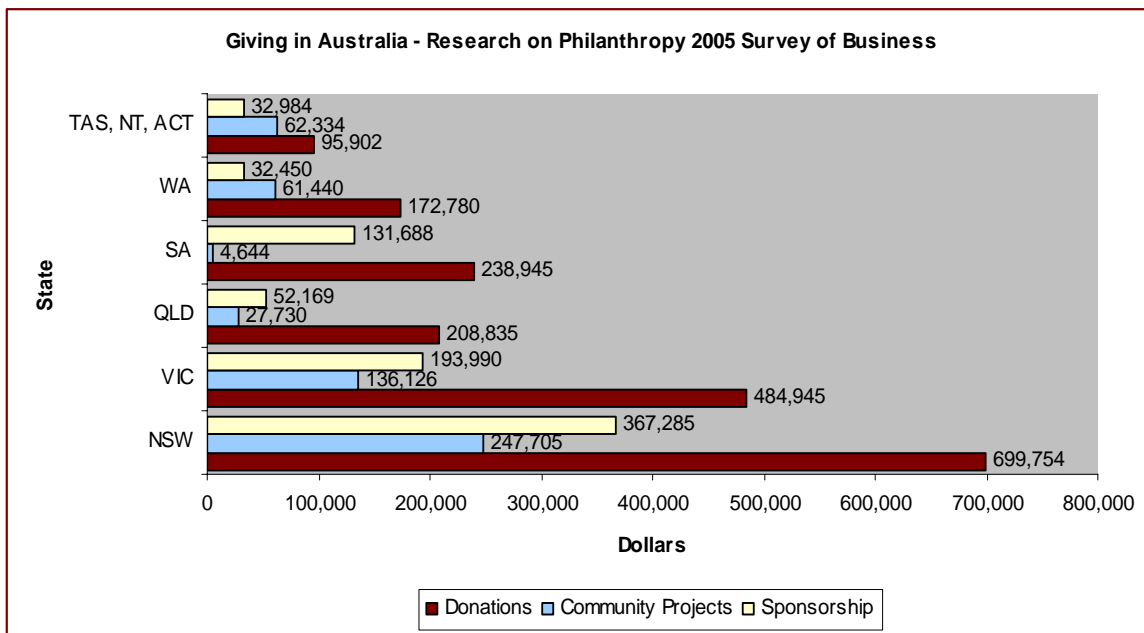


Figure 13 - Giving in Australia Report 2005 – Survey of Business

## 6 Trends in philanthropic giving

*It is concerning that the NGO sector may become just another provider of social services competing for grants and contracts with governments and corporations... it has fundamentally lost its way (Schambra and Shaffer 2004)*

Australians have an expectation that government will pay for community services, in particular those services that meet the needs of the poor, marginalised and socially disenfranchised. During the consultations any philanthropy was considered a bonus to core funding from government, albeit an essential bonus. That said, it was reported during the consultations undertaken for this project that, broadly speaking, the expectations of donors is changing. Donors want a closer connection to agencies they donate to and also have an increasing interest in outcomes. Donors, particularly businesses and net worth individuals, have increasing expectations of the recipients and beneficiaries in terms of demonstrating how funds are used and what the impact of their contribution is. Related to the trend towards professionalism is increasing interest in measurable outcomes and evaluation. The not-for-profit sector in Australia is struggling with this. Most NGOs are not set up to provide the levels of reporting required, and do not always have the necessary skills. Building capacity is a challenge across the sector (Anderson 2007 p54).

There have been changes in trends and patterns of philanthropy over last ten years or so. For example, there has been a trend away from *laissez faire* attitude of business to that of increasing interest in partnerships and community investment in ventures that attempt to benefit both the beneficiary and the donor, although the benefits for business tend to be in line with their corporate strategic alignments (Allen 2007). This move is not without some critics and concerns about conflict of interest. The extent to which corporations meet their social responsibilities had a major influence on public perceptions of individual corporations (Globescan Inc 1999).

In a written submission received from Fundraising Institute Australia (FIA), they note that most NGOs recognise the critical need to attract philanthropic giving, but most under-invest. Most are desperately keen to learn and equally desperately short of time to do so. As a consequence fundraising strategies are simple and strategies such as direct mail, special events and small scale sponsorships dominate. Experienced fundraisers will say that these are the most labour intensive and least productive strategies for generating significant philanthropic funds. Another consequence is the high reliance on volunteers, which brings its own collections of benefits and management challenges. Contributors to this project reported that they have observed an increase in the number of government agencies looking for philanthropic funds and remarked that approval for the project was contingent on getting co-investors.

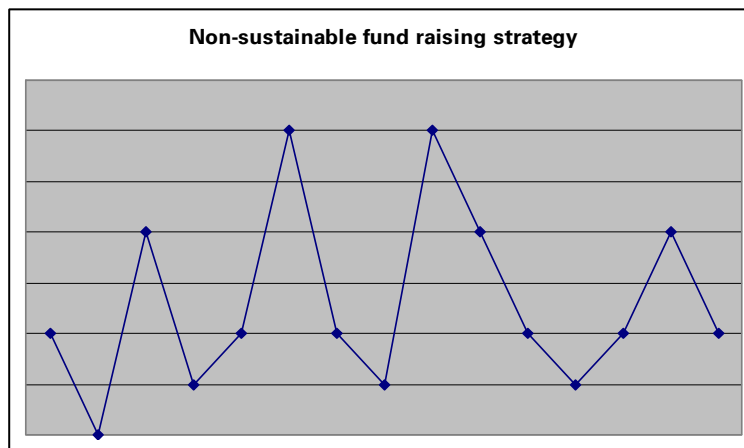
When donors are meeting with financial advisors, investment advisors, lawyers or organization such as the Public Trustee they are often looking for advice on their giving wishes at the time of settling the terms of their Will. At this time it is important that the advisors are aware of the range of giving opportunities in the ACT and region. Individuals who want to leave their funds to organisations often think this can only be done once as part of the administration of the Will whereas in reality the opportunities are far greater and advice needs to be provided on the range of opportunities. This can be done through a prescribed private fund, an individual charitable trust or through community foundations such as GreaterGood.

Some business are becoming very aware that philanthropy is an important way to meet the needs of their clients and employees, for example, being an employer of choice with regard to younger staff who are looking at the triple bottom line and in particular what businesses are doing for the environment or to make a difference in their community in relation to corporate social responsibility. Growing trends for giving are:

- regular donation through a donor form nominating how much and how often
- major gifts of real estate or other property
- annual donation to a named trust or through a named trust
- workplace giving through regular salary deduction.

In Australia, philanthropy is still at the stage of a transactional relationship, that is, “give and get”, and people do not yet appear to appreciate social value as an appropriate return for money, although this is slowly changing. There appears to still be a belief that asking for philanthropic giving is “begging”. Policy makers in government are promoting the notion that philanthropy is not about charity it is about investment. However, it would seem that this view has yet to find purchase in the minds of NGOs, although one could argue that they may have little time or resources to consider this issue more deeply given the limited resources they have to dedicate to philanthropy.

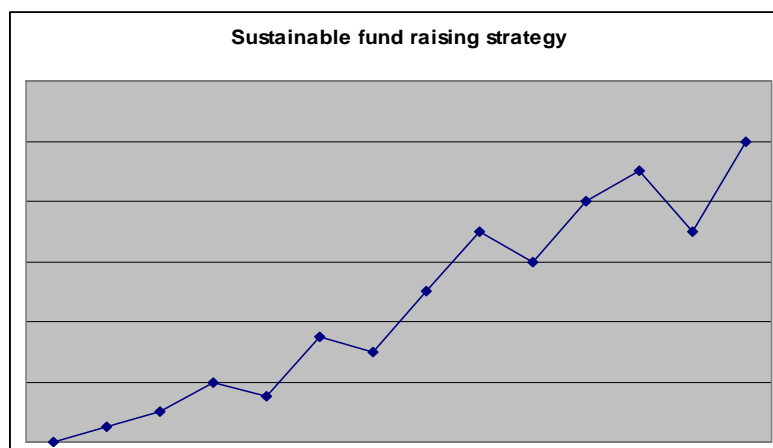
Consultations during this report indicated that NGOs need effective high level strategies before any skills in philanthropy can be useful. The findings from the research indicate that requisite strategic skills are often lacking, even in some larger NGOs. Problems occur when people working for NGOs are inexperienced in developing philanthropic strategies, as this effects the decisions they make. As mentioned, currently most NGOs in the ACT use a scatter gun approach, and are unable to devote many resources towards fundraising. This tends to result in haphazard income from philanthropic giving. This is known as non-sustainable strategy, which means that the income is not reliable and the NGO cannot plan ahead. This has been demonstrated in a conceptual graph below.



In contrast sustainable fundraising strategy allows for:

- reduced dependency on a single income stream
- improved chances to operate independently
- builds up reserves to safeguard for the financial future
- creates a sustainable funding base.

Below is a diagrammatic representation of a sustainable fundraising strategy.



## 6.1 Corporate Social Responsibility and “selling” the power of the NGO brand

There is an expectation in Australia that large and successful companies should contribute back to society (Allen 2007). This has come to be known as corporate social responsibility. Corporate social responsibility or CSR has come to be understood as the demonstration of a company’s commitment to minimising the negative impacts associated with its business operations and processes. The term CSR is linked to (and in some cases used interchangeably with) related terms and ideas such as corporate sustainability, corporate citizenship, corporate social investment, the triple bottom line, socially responsible investment, business sustainability and corporate governance (PMCBP 2007). The Australian Federal Government has become increasingly interested in CSR and actively promoted this through the Prime Minister’s Community Business Partnerships programs. Other support organisations have been set up to assist businesses. For example, the Australian Centre for Corporate Social Responsibility (ACCSR)<sup>2</sup> is Australia’s leading specialist corporate social responsibility services provider. They provide advisory, research and training services in corporate social responsibility to a wide range of clients in the public, private and government sectors. Notwithstanding the level of interest in CSR, there is little evidence of the success or otherwise of CSR within the ACT.

The report Corporate Community Investment in Australia<sup>3</sup>, sponsored by the PCBP, and conducted by the Centre for Corporate Public Affairs, was released in June this year. This report is based on a survey of 100 companies and conversations with CEOs. The report indicates “that 93% of top Australian companies require some kind of business case to support their contributions and about a quarter require specific returns on investment justification” (Allen 2007). Community investment is being used by companies to satisfy their staff’s desire to work for “socially engaged companies”, with corporate volunteering increasing. The report argues the mutual benefits of giving, and for the corporation the main benefit appears to be the re-building of trust with the community (ibid).

Consultations undertaken for this project revealed that CSR is seen as a movement, with certain caveats, most particularly that all corporations have to account to their shareholders. For this reason many people consulted in the ACT indicated that donors and recipients alike were less likely to see CSR as a truly sustainable option, although one large national NGO was very clear that they were actively approaching corporations and offering them business cases that openly promoted the power of the NGO brand, and created philanthropic partnerships. This NGO also made it clear that they were also very aware of the importance of adhering to the philosophical principles that guided their work, and for that reason they had set up an ethics committee for fundraising. For example, they have an ethics policy of whom they will partner with, they need to “value match”.

CSR is a very large and complicated area, and a full examination of the issues is beyond the scope of this report. As well as the two previously mentioned reports, much information and helpful links can be found both on the PMCBP website <http://www.partnerships.gov.au>, and there is also an extensive examination of the issues in the Australian context in The Social Responsibility of Corporations Report (2005) by the Corporate and Markets Advisory Committee, for the Australian Government.<sup>4</sup> Subsequent measurement of social impact is difficult. There has been a trend to fewer but deeper partnerships, with clear contractual arrangements of engagement, roles, responsibilities, and exit arrangements. Likely future trends include: an increase in interest in corporate responsibility, work place contribution, and addressing the issues of stewardship and accountability.<sup>5</sup>

---

<sup>2</sup> See <http://www.accsr.com.au>

<sup>3</sup> See [http://www.partnerships.gov.au/downloads/cci\\_report\\_07.pdf](http://www.partnerships.gov.au/downloads/cci_report_07.pdf)

<sup>4</sup> See [http://www.camac.gov.au/camac/camac.nsf/byHeadline/PDFFinal+Reports+2006/\\$file/CSR\\_Report.pdf](http://www.camac.gov.au/camac/camac.nsf/byHeadline/PDFFinal+Reports+2006/$file/CSR_Report.pdf)

<sup>5</sup> See [http://www.facsia.gov.au/partnerships/downloads/cci\\_report\\_07.pdf](http://www.facsia.gov.au/partnerships/downloads/cci_report_07.pdf)

### 6.1.1 Example from the US – tools for fundraising

The United States of America has a long tradition of philanthropy. It has been stated that this is based on a causal model, which fosters an entrepreneurial culture with strong expectations of philanthropy. Wealthy entrepreneurs are expected to engage in solving social problems and enriching society, encouraging more entrepreneurial activity and thus greater philanthropy (Acs and Dana 2001).

In the US most giving is by individuals. These individuals create life long partnerships with charitable organisations and have a very collaborative working relationship. These relationships are based on trust and confidence especially in the leadership of the community/charitable organisations. Whilst in Australia people seem to have a sense that the government should pay for community services, this is not the case in the US. In the US NGOs are not afraid to ask for money, they reframe the issues – for example, “we want to do good, you want to do good, we can work together”. Fundraising in the US is not considered begging or solicitation and there is significant value placed on social investment.

Fundraising in the US has become an art and a science, and successful fundraisers use tools, templates and technology to ensure that a variety of strategies are used in attracting philanthropic giving of any kind. Planning is a key critical success factor, and fundraising activities are strategically planned well in advance. A good example of how to plan is the use of a campaign Gift Table. An example is provided below, in Figure 15 and 16. These tables show how the required donation is broken down into set amounts. NGOs then put resources into targeting the people who can give these donations, and it also provides an indication of the level of effort required. In this example, the amount required is \$3 Million. There is one donation required of \$500,000, two for \$250,000, and four for \$100,000, and so on. In the US, NGOs research who they should target using Nexus Lexus, an internet search engine, as well as the people they already have a relationship with.

Building and maintaining relationships with all levels of givers is another key strategy. NGOs in the US stress the importance of a strong and influential NGO Board, who are generally high net worth individuals or in business, who can and do, quite literally, “open doors”. Board members give large financial contributions to the NGOs, as well as their time, and will openly encourage their peers to do the same. As mentioned, this is not the case so much in Australia. Fundraising is therefore critical to the survival of NGOs in the US, and they are very professional and sophisticated in their pursuit of these funds.

The Gift Pyramid (Figure 14) is also a well recognised tool for fundraising in the US that assists fundraisers to allocate their efforts and resources on the 80:20 principle. This principle, also known as the Pareto Principle or the 80/20 Rule, states that a large proportion of all funds will come from a small proportion of donors. This rule holds true in philanthropy and fundraising. In fact, studies of philanthropic trends show that while contributions from individuals make up the majority of charitable gifts, large gifts received from as few as 5% of annual donors can account for up to 90% of annual donations to NGOs. Lots of energy and resources goes into trying to attract the people at the bottom of the pyramid, convincing them to make a first show of support through time or money. This is then consolidated, and supporters’ knowledge and commitment is developed as they move up the fundraising pyramid. Many organisations, for example, spend \$1 in order to bring in \$1 from new donors in the hope that they can turn them into long-term donors who are more reliable and cheaper to maintain. It is important that a fundraising strategy includes activities to attract new supporters and maintain or build existing donors. It is also essential to analyse how many resources will go into collecting funds at the different levels of the pyramid. This is important because NGOs have to actually raise more money than they spend (International campaign to ban landmines 2007).



Figure 14 - An example of a Gift Pyramid

\$500,000							
\$250,000	\$250,000						
\$100,000	\$100,000	\$100,000	\$100,000				
\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000

Figure 15 - An example of a Gift Table

Gift Level	Prospects	Donors	Dollars	% of campaign
\$ 500,000	3	1	\$ 500,000	17%
\$ 250,000	6	2	\$ 500,000	17%
\$ 100,000	12	4	\$ 400,000	13%
\$ 50,000	24	8	\$ 400,000	13%
\$ 25,000	48	16	\$ 400,000	13%
\$ 10,000	96	32	\$ 320,000	11%
\$ 5,000	192	64	\$ 320,000	11%
1,000 & below	numerous		\$ 160,000	5%
			\$ 3 million	

Figure 16 - An example of a Gift Table summary

NGOs in the US pay special attention to donor recognition programs that are consistent and visible, although there is tension for some donors between anonymity and publicity.

Giving on-line is encouraged and many US NGOs have this facility in their websites. However, this not at all common in Australia, and most giving on websites is promoted through the sending of cheques. This potentially is a lost opportunity for Australian NGOs. In the US giving is encouraged at the end of the financial year. On average people give to six organisations.

Promotion of the work of NGOs is vital, and NGOs actively invite people to become part of their organisation. People like to be associated with a winner and they like to see results. They pay particular attention to their target audience, for example “\$25 can feed 5 people”, this makes the results of giving tangible, and people feel that their contribution makes a difference. In the US, legislation requires that organisations spent 80% of every dollar donated on their core functions/service provision/programs.

Fund raising is highly professionalised and there are multiple resources available to assist donors, for example [www.afpnet.org](http://www.afpnet.org). The Association of Fundraising Professionals (AFP) represents nearly 28,000 members, working to advance philanthropy through advocacy, research, education and certification programs. The association fosters development and growth of fundraising professionals and promotes high ethical standards in the fundraising profession.

## 6.2 Ten principles of fundraising

Of interest is the following Ten principles of fundraising used in the US (Adapted from Arts Extension Services - Fundamentals of Local Arts Management, available at <http://www.arts.state.tx.us/toolkit/fundraising/>)

*Remember that fundraising is simply getting people to be supportive of your organization. You do that through personal contact and by educating and involving them. The following are truths you should incorporate into whatever fundraising you do:*

### 1. Never ask a stranger for money

- People give to people and because of people.
- People who don't know you or your organization probably will not give.

### 2. Cultivate before asking

- Cultivate potential donors through special events, receptions, openings, opportunities to meet staff, ad hoc committees, advisory boards, memberships and membership benefits, support groups, etc.
- Only ask for a gift after you have had a chance to inform and educate a prospective donor.

### 3. Think of the needs of the donor

- Your need for money will not motivate a donor to give; your provision of service to meet clear community needs will.
- Find out what interests the donor has and think through how the donor will benefit by giving. A corporation, for example, may want visibility and an individual newly arrived in town may want opportunities to meet people.

#### **4. Ask for support for what you need**

- Be sure you are sticking to your fundraising plan and are raising money for the things you need, not creating new things that sound more enticing to potential donors.
- You may need to practice and try different strategies for making the electric bill or the janitorial services sound enticing.

#### **5. Personalize your solicitation**

- People give more and are more likely to give when asked in person.
- People give more the more personalized the approach. Personal calls raise more than phone calls. Phone calls raise more than letters. Personalized letters and handwritten notes raise more than form letters.

#### **6. Raise money from the inside out**

- Start raising money by asking the board to give first.
- Ask any fundraising volunteers to give before they ask others to give.

#### **7. Raise money from the top down**

- Ask your best large-gift prospects first.
- Large gifts set the pace and build confidence, excitement, and momentum.
- Seventy-five to 95 percent of contributions come from 10 to 15 percent of donors (usually fifty to one-hundred people).

#### **8. Make the case larger than the organization**

Show donors how:

- They will benefit (through involvement, becoming part of the family, special privileges of membership etc).
- Their children will benefit (through educational opportunities, children's programs).
- Their community will benefit (through economic development, community pride, enhanced quality of life).
- The gift is an investment in the future (for the reasons above).

#### **9. Develop a strategy you can accomplish**

- Aim for success. Don't overreach.
- Fundraising success builds community, donor, and volunteer confidence so you can ask again.
- Everyone wants to be associated with a winner.

#### **10. Treasure your volunteer leadership**

- Good leaders are rare.
- Substantial money cannot be raised without good volunteer leaders.
- Don't take volunteer leaders for granted once they are involved.

## 7 Impediments to philanthropy in the ACT

The survey, written submissions, and consultations all explored the impediments to philanthropy in the ACT. This chapter provides a discussion of the findings.

### 7.1 Ethical issues - no free lunch?

There is no formal reporting required of private philanthropy and no universal set of agreed categories of philanthropic activity. Even for organisations that have adopted formal CSR reporting frameworks what is recorded and how it is reported can vary. Of particular interest was the observation that all philanthropy was considered to be good. Philanthropic giving is, for the most part, unregulated. Any person can give their money, time and talents to whatever cause they choose within the constraints of what is lawful. During the consultations, representatives from Philanthropy Australia indicated that there are foundations created for all manner of “causes” from foundations that only provide funds for research into the furry nosed wombats in Australia, to foundations established to support white supremacy in the US. Equally, donations can come from many sources that may have a variety of philosophical positions potentially in conflict with NGOs. In an environment where NGOs are under increasing pressure to increase their transparency and accountability to donors and also increase philanthropic income, advocates for philanthropic giving need to consider how they may engage with these issues.

The ethical issues of NGOs working with business and corporations were also raised during community consultations. Global prosperity has promoted CSR, and provided an incentive for corporations to engage with the community. There has been a global push for reporting on sustainability and philanthropy and it was argued this has to some degree taken the pressure off governments in some countries which have historically supported the NGO sector through contractual arrangements to provide services. Some of the people consulted stated that in their opinion there has been “thoughtless” giving to some NGOs, and that it is critical to ensure that corporate relationships do not undermine the confidence community have in the independence and integrity of those services. Other people consulted believed that government has a much more direct responsibility for community well-being, particularly in relation to maintaining civil society and appropriate assistance to the vulnerable and disadvantaged. The accountability in government is more rigorous, regular, reliable and public when compared to the corporate sector. That said, there has been a push by government to increase philanthropy, as noted by the PMCBP initiative, and it was contended that such a policy was not well considered at this stage, especially when many NGOs are lacking in fundraising skills and capacity.

Charities and Christian agencies and NGOs can be confronted by a tension to seek and build partnerships with business in order to obtain philanthropic giving - on which some are becoming increasingly reliant – and still remain true to their principles such as social justice and advocacy for the marginalised. Addressing the needs of marginalised and vulnerable people is not core priority of the free-market and for-profit principles that drive business. Conflicts of interest will inevitably arise when agencies are asked to consider the needs of the corporate donor above those people who are reliant on their service, although examples of this were not provided in this project.

NGOs that were consulted stated that they were aware that within the NGO sector there were concerns about issues that may arise when there are ideological differences between the donor and the NGO. It was also noted that if there should be an economic downturn, that business may well consider withdrawing funds from philanthropy because their first responsibility will be to the shareholder. It was suggested that a way around this could be to encourage businesses to set up funds within Trusts, for example GreaterGood.

Corporate Good Works, an Australian company dedicated to bringing businesses and not-for-profit community organisations together to benefit society, has also commented on the reluctance of corporations to disclose information on their philanthropic activities. In their recently released review of the effectiveness of community programs supported by Australia’s top one hundred companies (Corporate Good Works 2003) they stated that: “forty-five of the top companies either do not appear to support community causes or do not publicly report on them.”

## 7.2 Knowledge, skills, capacity and resources within NGOs

*Lack of core funding and severe disability of members means we have little time to solicit funds... plus you can put in a lot of effort for no return (Survey respondent)*

As already noted, building capacity within not-for-profit organisations is a challenge across the sector (Anderson 2007 p54). Consultations indicated that even the application process for grants was increasingly complicated, and donors were finding that applications were often at a lower standard than they expected.

In the survey NGOs were asked what they considered to be the main barriers to obtaining and sustaining philanthropy. There were 114 respondents to this question. 70% indicated that they had limited time to pursue philanthropy, 63% stated that competition for grants was an impediment, and nearly half (49%) reported that they thought there were limited sources of philanthropy. One third (31%) believed it was an unreliable source of income, and approximately one quarter (24%) did not know who to approach, with a further 20% stating that they did not know how to approach potential donors. 18% maintained that they were concerned that their funding would be reduced if they increased their income through philanthropy. Despite this, there were only 6% that felt the effort was not worth the cost, and only 8% thought that administrative issues were an impediment. This is demonstrated in Figure 17 below.

Information from the written submission indicated similar barriers to philanthropy. These were:

- low uptake of work place giving (pay role deduction, volunteering time, talent skills)
- there is high competition for grants
- there is only so much money that can go around
- community organisations often do not have a clear understanding of how to successfully pitch their submission or application for philanthropy to a foundation or net worth individual
- community organisations often do not have the time, resources or skills to write successful grants, especially when they may be writing several at one time.

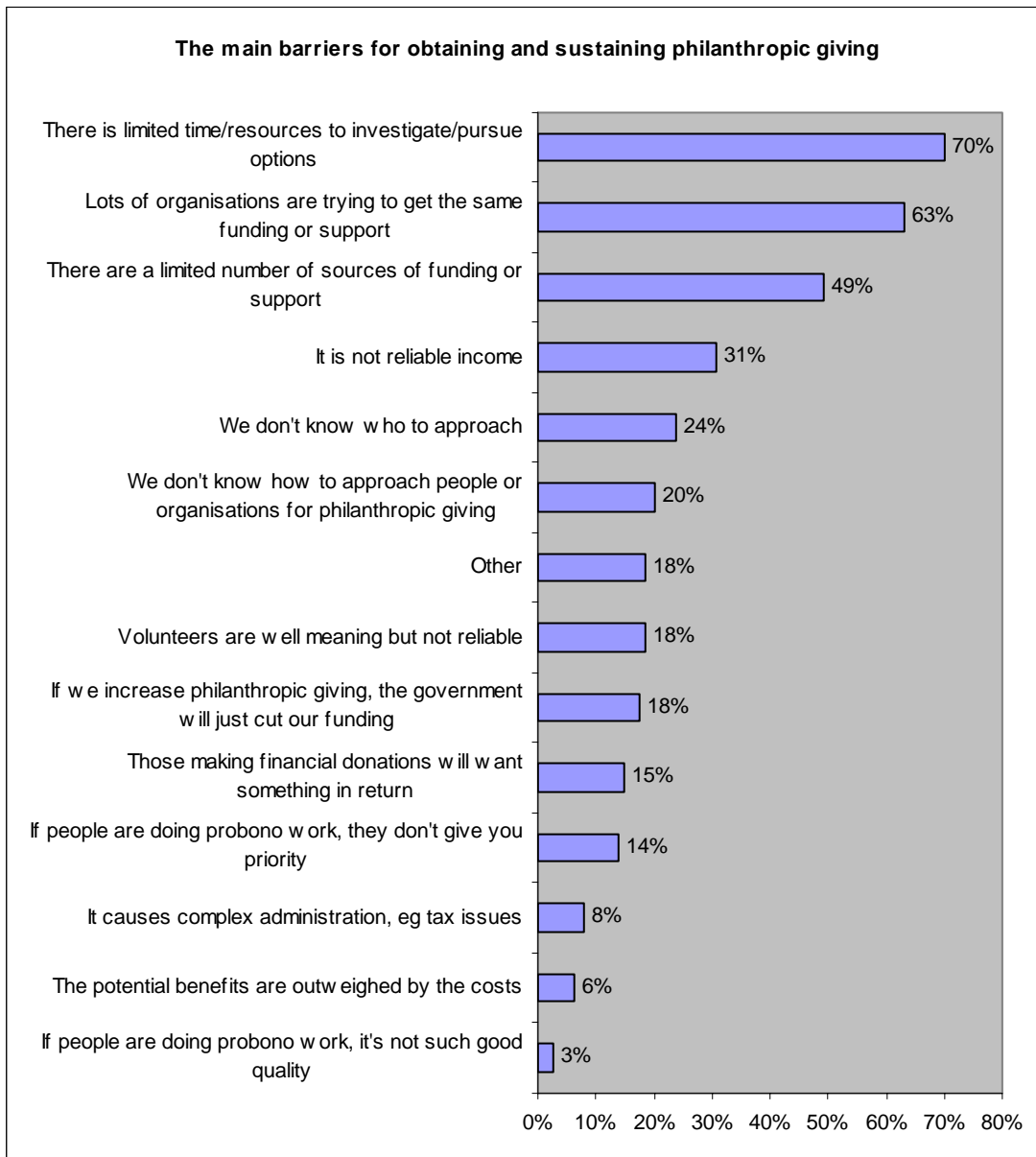


Figure 17 - Main barriers for obtaining and sustaining philanthropic giving

### 7.3 Fundraising

Data generated by the Giving Australia research show there is a need for professional fundraising in Australia to address issues of accountability, professional conduct and so on. The issues around fundraising in the ACT however go further than just having professional skills and accountable practices. To illustrate, in their submission Perpetual stated that the most utilised philanthropic vehicles are PPFs and Ancillary Funds. However, unfortunately Ancillary Funds are often inaccessible to ACT philanthropists due to the current Fundraising Licence requirements. To establish a fund a donor must designate the recipient of any donations, which is different to any other state or territory in Australia. This is not always desirable as the donors to these funds often prefer to nominate different beneficiaries depending on a current assessment of needs.

Fundraising licence requirements in the ACT come under the Charitable Collection Act (2003). Following a review by the Auditor General's Office in March 2006, the Department of Justice and

Community Safety now administer the legislation. The review found that the Act had not been administered appropriately.

Research in 2004 indicated there are five main issues with respect to fund-raising in Australia. These are: definitions; accountability; cost to fund-raising; transparency; lack of harmonisation due to diverse legislation. In addition, fundraising is very complicated as there is different legislation in the different states, which is often old and has been amended many times. There is no federal ministerial Council, the only thing that is close to this is a Standing Committee of Officers of Commonwealth Affairs. This makes resolving fundraising issues very difficult, not to mention even getting these complexities on the agenda. There are over 68 different ways that fund-raising is reported, and these differences add to the cost of fundraising. This makes rolling out of national campaigns almost impossible or prohibitively expensive.

## 7.4 The nature of the ACT

According to the written submission from Perpetual, a potential impediment or de-motivating factor for philanthropy in the ACT may be that many ACT applications are from organisations with a head office in ACT, but that provide services nationally. Additionally, many well-known charities include ACT in their NSW operations which make it difficult for ACT people to take ownership of, or interest in, a charity that services their Territory alone. Written submission and consultations suggested that the size of the population is one of the biggest impediments in the ACT - the larger the population the greater the ability to raise funds within the community.

There are also low membership rates for organisations like Philanthropy Australia. There are currently only two foundations that are members from the ACT. Membership of such an organisation can assist both donors and recipients to gain knowledge and information, as well as publicise their work. Experts from the field reported that philanthropy in the ACT, and indeed in Australia, is generally not as well publicised as it might be.

There is also low uptake of NGOs that provide support to the not-for profit sector, like Mediateam Australia <http://www.mediateam.com.au> (which has the head office in the ACT) and the Not-For-Profit Network <http://www.nfpn.com.au>. Media Team Australia, the only NGO currently of its kind in Australia, assists community organisations across Australia to raise their public profile and attract greater support by professionalising their public relations and communications activities. As a non-profit organisation Mediateam bring a specialised understanding to supporting the needs of other non-profit organisations. Staff at Mediateam reported that they have very little contact with NGOs in the ACT compared with other states. Mediateam provide free online resources, information and training on the importance of media, marketing and profiling of NGOs to increase philanthropic giving. Mediateam also help business promote themselves to NGOs.

The Not-For-Profit Network is an example of nationally focused NGOs that provide a myriad of resources, information, educational materials and training for NGOs in Australia and New Zealand. They particularly focus on providing NGOs with advice on governance and strategic issues, as well as support and guidance on the implementation of strategy. They offer membership to smaller NGOs at a discounted rate.

## 8 Models and practices in other Australian jurisdictions relating to government support for philanthropy

*For philanthropy to evolve in the ACT, as it has elsewhere, it is necessary for government to embrace it (Written submission - Perpetual)*

There are studies that show that as taxation is reduced, there is less government income distributed to fund community services. Some argue that if the philanthropic sector grows, the role of government is reduced, and use the example of the USA which has a high level of philanthropy and a smaller government as opposed to Europe where governments are larger and the contribution of philanthropists is less significant (Acs and Dana 2001 p64).

From the written submissions and consultations, there appears to be two main ways in which government can support philanthropy: as facilitator and as a participant. This chapter will discuss these two options.

### 8.1 Government as facilitator

The Prime Minister's Community Business Partnerships (PMCBP) is an initiative where Government has taken a lead role in promoting and facilitating philanthropy. As part of this initiative a group of prominent Australians from the community and business sectors, provide advice and assist the Government on issues concerning community-business collaboration.

There are three main objectives of the PMCBP, namely:

1. Increase philanthropy. The PMCBP has helped develop taxation incentives to promote philanthropy by both individuals and businesses. This includes the following: Workplace Giving Australia; Private Charitable Funds; deductions for cash; gifts of property; deductions for donations of property; capital gains tax exemptions; and, deductions for fundraising dinners.
2. Promote partnerships and engagement between the community and business sectors.
3. Promote corporate social responsibility.

This model is based on the idea that philanthropy has to go beyond superficial relationships and unattached philanthropic gestures, and move towards strategic connections where community interests align with corporate interest. By way of example, mining companies working in Aboriginal communities build a local swimming pool. Aboriginal children that attend the local school are allowed to use the pool, and there is a subsequent reduction in nose and eye infections, leading to less time that children are unwell, and less time that employees of the mine have to take off work to care for them. The PMCBP requires that there is a tangible link between the community need and a company's operations.

Key initiatives of the PMCBP include: annual awards for excellence; national community business partnership week which includes seminars and demonstrations; making changes to legislation to promote philanthropic giving, like reforms to tax laws and enhancing workplace giving; providing three tool kits for small business, corporate volunteer programs and for corporations that wish to promote themselves in the local community; and lastly, providing resources to conduct research. An example of research funded by the PMCBP is the Giving Australia Report.

It should be noted that there are some sensitivities between the State and Australian Governments regarding PMCBP due to the branding of these policies, and this may also be an issue for government in the ACT.

## 8.2 Government as participant

The model of government as participant draws on models that have tripartite relationships, that is, involving, made between, or ratified by three parties or groups. These groups are the government, the NGO sector, and the business sector.

One example of business, philanthropy and government working closely together is provided by GROW in Sydney. This model was identified by Perpetual in their written submission, for more information see <http://www.grow.org.au>. The information in this section was taken and adapted from the GROW website. Attempts to contact and interview staff at GROW were not successful.

GROW Sydney ACC (Area Consultative Committee) is a not-for-profit community based organisation funded by the Australian Government to assist members of the community, government, business and philanthropic sectors to undertake projects that help to decrease the level of disadvantage across Sydney and its regions. The Australian Government's Department of Transport and Regional Services is the primary funder of the organisation. GROW Sydney ACC also undertake specific contracts with a range of organisations, for example: the Department of Employment and Workplace Relations and the Sydney Indigenous Coordination Centre.

The Area Consultative Committee Charter outlines three core responsibilities. These are to:

1. Be the key facilitator for change and development in the greater Sydney region.
2. Be the link between Government, business and community.
3. Facilitate Whole of Government responses to opportunities within our community.

The primary function of the ACC is to identify projects and to facilitate the development of applications for the Regional Partnerships programme. Since July 2003 GROW has assisted in the development of projects that received over \$9 Million in Regional Partnerships programme funding with the total value of projects reaching over \$29 Million

GROW Sydney ACC is constituted as an incorporated association and governed by an independent Board. Members of the Board are respected community leaders from across Sydney and the Southern Highlands with extensive experience in community, business or government. They freely give their time to set the strategic directions and priorities for GROW Sydney ACC. The Minister for Transport and Regional Services appoints the Chairperson and a Deputy Chairperson. The GROW Sydney ACC Board appoints a second Deputy Chairperson. The staff of GROW Sydney ACC include five Project Development Managers who assist community organisations, government and business in the development of their ideas and dreams to become realities for the improvement of their community's self reliance. Important to GROW Sydney ACC is their networks of people who form regional partnerships to benefit their local area or to address specific community issues. These extensive networks help to inform GROW Sydney ACC of key regional development issues and identify opportunities for Regional Partnerships projects. GROW Sydney interacts with these networks in a number of ways, for example, regular meetings and participation in key forums and with individual key stakeholders.

Another example of government as participant is the social enterprise hub partnership. The Proposal for Social Enterprise Hub partnership with the ACT Government is a joint proposal made by Social Ventures Australia (SVA) and the Mental Health Community Coalition ACT. This model is based on the European model. Social enterprise hubs consist of three parts, that is, government, SVA, and a corporate donor. Each party contribute resources to the hub. This hub then becomes the "incubator" to develop business enterprises. To date, the work of these hubs has been directed at the employment needs of people living with a mental illness or disability. The hub partnership acts as a mentor and trains social entrepreneurs and NGOs to develop for profit businesses for people that are socially disadvantaged. One of the keys is that the business has to employ between 40-50% of long term unemployed and/or people with a mental illness or disability. The employees are all paid award wages.

This is not a "sheltered workshop" but give them real skills and real opportunities. For example, Queensland they have helped set up a business/warehouse to sell produce and also a recycling

business. Corporate donors and high net worth individuals invest in these projects. Also, the businesses get low interest loans through certain banks, to make these businesses sustainable and not reliant on government funding. Corporate donors build confidence and skills by providing:

- business advice
- legal advice
- skills training
- access to many businesses and high net worth individuals
- capacity building
- structured program for mentoring.

There is an avenue that can be pursued with this kind of model to assist NGOs to help promote themselves, pitch their applications for grants, and receive advice that an NGO could never afford, regarding marketing, governance, research, as well as advice in developing and implementing strategic and sustainable philanthropy.

A recent example of such a hub is Brisbane Social Enterprise Hub. Brisbane City Council, Social Ventures Australia and the PricewaterhouseCoopers Foundation have joined forces to establish Brisbane's first Social Enterprise Hub. Lord Mayor Campbell Newman said the three parties had each committed \$30,000 to the Hub, which will support the growth of Brisbane's emerging social enterprise sector.<sup>6</sup>

A final model of government as participant was suggested in a written submission from GreaterGood. In their submission, it was reported that businesses and councils in regional Australia often use the community foundations in their region as a starting point for grant making by providing grant funds and working with committees or the boards in Community Foundations to ensure that funds are dispersed in a fair and equitable manner. The submission notes that there is potential in the ACT for Government to provide funds to the GreaterGood Gift or open funds for charitable activities to be undertaken by charitable organisations in an open and transparent way and at arms length from Government.

---

<sup>6</sup> Local Government Focus (2006) 'Brisbane develops social enterprise hub', Australia's National Local Government Newspaper Online, available at <http://www.loc-gov-focus.aus.net/editions/2006/july/enterprise.shtml>

## 9 Options that could be pursued by the ACT Government

*... support the doing, not just the advice... (Survey respondent)*

This final chapter provides options that can be pursued by the ACT Government regarding raising awareness about philanthropic giving opportunities, and options for encouraging growth in philanthropy. The information in this chapter is mostly derived from the written submissions and consultations.

The survey asked NGOs about ways in which to increase philanthropy for their organisation. There were 102 responses to this question. The top four ways that were identified were:

- having a section within the government that advises organisations seeking philanthropic giving
- being able to meet philanthropists
- knowing more about philanthropic giving
- having access to web based resources for information and advice.

41% of respondents wanted information seminars on how to be more effective in securing funds. Given that other survey data has shown that NGOs want and need more information, knowledge, experience and skills, these responses are not surprising. Other comments included: the need for assistance with obtaining DGR status; assistance in publicity and marketing skills; assistance with ethical guidelines to guide practice working with donors; mentor and encourage a culture of philanthropy; support for staff training and capacity building. Refer to Figure 18 below.

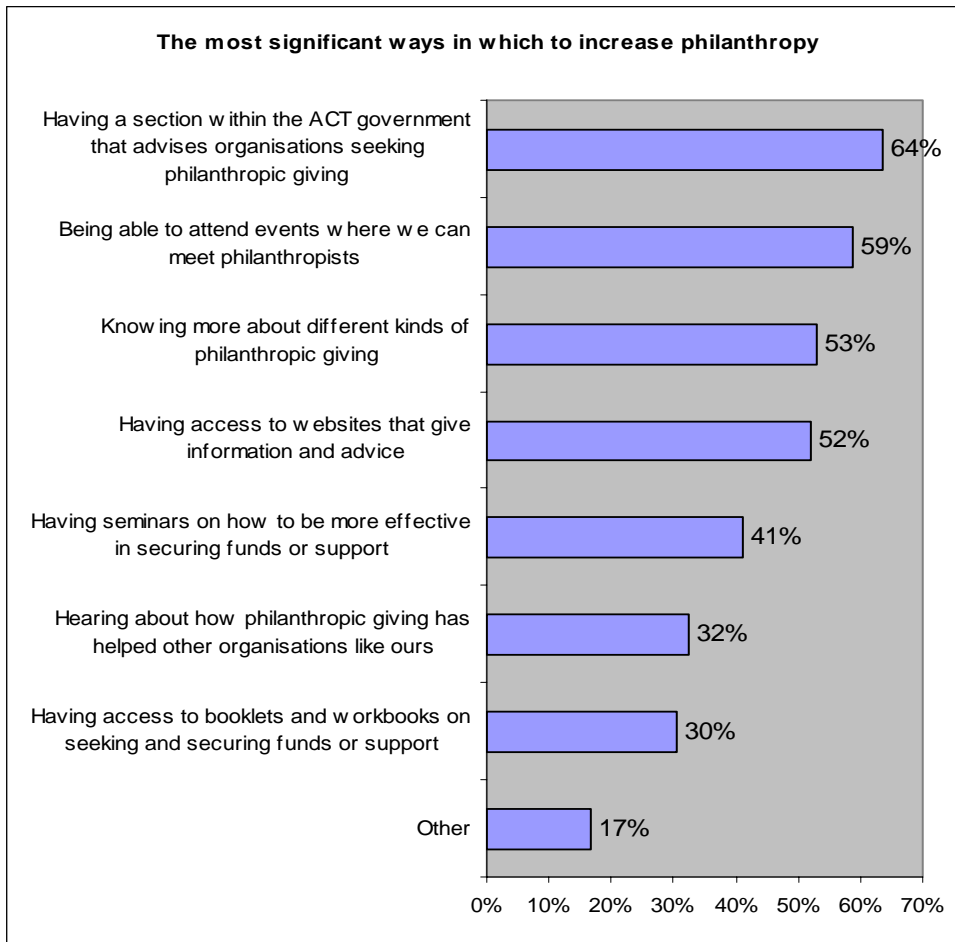


Figure 18 - The most significant ways in which to increase philanthropy (Multiple responses allowed)

## 9.1 Options to raise awareness of philanthropic giving opportunities

There are several ways in which philanthropy could be promoted in the ACT, and these are described below.

### 9.1.1 Marketing of philanthropy

- The ACT government engage an appropriate ACT based Public Relations or marketing company to develop a philanthropy marketing campaign. The importance and value of media, marketing and profiling cannot be underestimated. A sound and innovative communication strategy and marketing plan for government to increase awareness of giving in the ACT could help market the message of an interest in philanthropy as a means of increasing social investment. This will not only raise awareness of philanthropy with NGOs and philanthropists but also with the ACT community.
- There is currently no mechanism of making information available about making ACT charities more visible to potential donors. To address this, the ACT Government can facilitate an annual event for example a Philanthropy Day in the ACT (this would be the first of its kind in Australia) and invite NGOs and ACT based foundations and trusts to come along and promote their work, and the good news stories. Invite participants like Philanthropy Australia, local business, representatives from local foundations and trusts, as well as net worth individuals, and the public to meet and mingle. Have experts there to advise people about tax incentives, as well as others to give advice about perpetual giving and so on.

- The ACT Government could commission in depth research to explore the extent of government funding, and to address the question of adequacy of philanthropic contributions.
- Design and maintain a rich and helpful “one stop shop” web page on the ACT Government home page that provides links to sources and other websites regarding philanthropy in the ACT. There is so much information that providing one site will be very advantageous to time poor local NGO workers. The site could also promote and publicise stories of the benefits that philanthropy can deliver.
- Develop a community list of DGR charitable organisations which could be on the Canberra Connect website, available at shopfronts, sent to financial and investment advisors, accountants, lawyers, businesses and all community organisations.
- Provide details of charities and not-for-profit organisations that could be the recipient of donations from staff and employers.

### 9.1.2 Better equip the NGO sector in the ACT to take up opportunities

- The ACT Government needs to communicate the importance of the NGO sector. This means proper, fulsome recognition and a determination to have a genuine and effective relationship between the NGO sector and the government sector. The ACT Government could also assist in demonstrating to the not-for-profit sector that social investment has real value. There are several ways this could take place, and these all relate to the government leading by example:
  - Through a communication strategy (as discussed above).
  - Promoting work place giving within government.
  - Allocating places within departmental training for members of NGOs (for example computer skills like creating Access data bases).
  - Build networks with community leaders and businesses to encourage workplace giving to support local NGOs.
  - Offering awards and scholarships for NGOs within Canberra for outstanding work in community support and community development, or for innovative approaches to raising the awareness of philanthropy in the ACT. For example, making films about philanthropy. The Documentary Australia Foundation was established this year to link philanthropists with documentary makers who highlight social issues or try to effect change through their work (George 2007). A similar initiative currently exists in the US called the Filmanthropy Scholarship Competition.
  - At all ACT Government funded events have a range of charitable organisations supported, that are rotated each year.
  - Offer resources (time, money, skills) to NGOs to assist them in building capacity.

## 9.2 Options to encourage growth in philanthropy in the ACT

Philanthropy could be promoted by the following activities.

Promote the benefit of philanthropy by:

- getting accountants, solicitors, financial advisors equipped to advise people to consider philanthropy
- giving people information
- publishing what philanthropy has done
- learning from each other

- networking
- increase public awareness (as previously mentioned).

Promote on line giving, this increases the rate and amount of giving, meets the needs of busy people who have computers, is easy, and the money arrives faster. Information about donors can be captured as well to help with further fundraising, and information can be fed back to donors about how their money was used. On line donors tend to keep giving, as processes can be automated. Some recent successes are [www.movember.com.au](http://www.movember.com.au) and [www.worldsgreatestshave.com.au](http://www.worldsgreatestshave.com.au) (Sharwood 2007).

Develop a social responsibility list for all businesses that support local charities.

Encourage all NGOs to seek DGR status – offer support in how to do this.

Encourage and promote work place giving (money, time, skills), and use the incentives for participation through Agency Workplace Giving Accounts.

Promote the benefits of establishing a Foundation within GreaterGood (written submission) such as:

- It avoids start up costs.
- People can still claim tax deductions.
- Allows for easier operations within the taxations laws as they apply to charities.
- GreaterGood takes responsibility for compliance, accountability and governance matters.
- GreaterGood is a repository of knowledge and expertise.
- Offers all the benefits of a PPF but without the establishment costs.
- Facilitate regular open seminars about philanthropy, and have an expert speaker provide information to NGO staff and potential philanthropists. This provides for networking as well as increasing skills. Promote the importance of strategic sustainable fundraising.

Enhancing social capital, as suggested by FAI in their submission, by:

- Assisting collation of data on ACT-based philanthropic foundations, including Prescribed Private Funds, and ACT-based charities.
- Encouraging philanthropists in ACT to be public about their philanthropy in order to encourage others to follow their lead.
- Ensuring that all board members see their obligation to be donors to the charities they work with.
- Promote fundraising in neighbourhoods or suburbs, not cities or territory-wide.

Promote the use of tools and resources to help find and recruit volunteers, for example [www.goodcompany.com.au](http://www.goodcompany.com.au) is on line resource to find volunteers.

Promote and encourage the use of fundraising tools like the Gift Table that assist NGOs to plan fundraising activities in a sustainable manner.

## 10 List of references

Anderson G (2007) cited in Fisher L. D (2007) 'One minute with', Business Review Weekly, 13-21 November, p54

ACOSS (2007) 'Community Sector Survey', ACTCOSS, ACT

Acs Z J and Dana L P (2001) 'Contrasting two models of wealth redistribution', Small Business Economics, Volume 16, pp63-74

Acs Z J and Phillips R (1999) 'Entrepreneurship and Philanthropy in the New Gilded Age', University of Baltimore, cited in Acs Z J and Dana L P (2001) 'Contrasting two models of wealth redistribution', Small Business Economics, Volume 16, pp63-74

Allen G (2007) 'The mutual benefit of giving', The Australian Financial Review, 14 June

Australian Bureau of Statistics (ABS) (2006) '4441.0 - Voluntary Work', available at <http://www.abs.gov.au>

Australian Tax Office (2007) 'Deductible gift recipient essentials', available at <http://www.ato.gov.au/non-profit/pathway.asp?pc=001/004/006/008/003>

Bittman and Fisher (2006) 'Exploring the economic and social value of present patterns of Volunteering in Australia', Social Policy Research Paper No. 28, Social Policy Research Centre, University of New South Wales, prepared for the Department of Families, Community Services and Indigenous Affairs, Commonwealth of Australia, available at [http://www.facs.gov.au/internet/facsinternet.nsf/research/prpsrps\\_28.htm](http://www.facs.gov.au/internet/facsinternet.nsf/research/prpsrps_28.htm)

Centre of Philanthropy and Non-profit Studies (2007) 'Tax deductible giving in 2004/05', available at <http://www.bus.qut.edu.au/research/cpns/>

Citizens Advice Bureau ACT (2007) available at <http://www.citizensadvice.org.au>

CPS (2007) available at <http://www.communitycps.com.au>

Department of Family and Community Services (2005) 'Giving Australia: Research on Philanthropy in Australia, Survey of Business', available at <http://www.bus.qut.edu.au/research/cpns/documents/GivingAustraliaFindings.pdf>

Gary T and Kohner M (no date) 'Inspired Philanthropy: Your Step-by-Step Guide to Creating a Giving Plan', 2nd Edition

Globescan Incorporated (1999) 'The Millennium Poll on Corporate Social Responsibility – executive briefing', New York, September

International campaign to ban landmines (2007) 'So you want to do fundraising', Fundraising resource, available at <http://www.icbl.org/resources/campaignkit/docs/fundraising.pdf>

Letts C W, Ryan W and Grossman A (1999) 'Virtuous Capital: What Foundations Can Learn from Venture Capitalists', Harvard Business Review, Volume 55, Number 2, pp36–44, cited in Acs Z J and Dana L P (2001) 'Contrasting two models of wealth redistribution', Small Business Economics, Volume 16, pp63-74

Lyons M (2001) 'Third sector: the contribution of non-profit and cooperative enterprises in Australia', St Leonard's, NSW, Allen and Unwin

Philanthropy Australia (2002) 'Survey of Australian Philanthropic Trusts and Foundations', Philanthropy Australia, Melbourne, available at [www.philanthropy.org.au](http://www.philanthropy.org.au)

Philanthropy Australia (2007) available at <http://www.philanthropy.org.au/>

PMCBP (2003) 'Summary report on public submissions to encourage greater levels of giving in Australia', available at [http://www.partnerships.gov.au/philanthropy/public\\_submissions\\_rep.htm](http://www.partnerships.gov.au/philanthropy/public_submissions_rep.htm)

---

Reis T (1999) 'Unleashing New Resources and Entrepreneurship for the Common Good, Battle Creek, MI', The Kellogg Foundation, cited in Acs Z J and Dana L P (2001) 'Contrasting two models of wealth redistribution', Small Business Economics, Volume 16, pp63-74

Schambra, W. and Shaffer, K (2004) 'Grassroots Rising: A conservative call for philanthropic renewal', The State of our Union: Non-profits and Government, Fall, Vol. 11, issue 3

Sharwood, S (2007) 'Charities case net for funds', The Age Newspaper, October 30

Scott D (2005) 'Mental health research and philanthropy: possible partnerships?' Australian and New Zealand Journal of Psychiatry, Vol. 39 No. 1-2, pp31-35

Queensland University of Technology (QUT) (2007) 'Tax issues information sheet', Centre for philanthropy and non-profit studies, available at <http://www.bus.qut.edu.au/research/cpns/>

Volunteering ACT (2002) 'Who really cares?' Corporate volunteering research, available at <http://www.volunteeract.com.au/>

Woodward, S and Marshall, S (2004) 'A better framework – reforming not-for-profit regulation', University of Melbourne: Centre for Corporate Law and Securities Regulation, available from <http://cclsr.law.unimelb.edu.au/not-for-profit/finalreport/Final%20PDFs/PRELIM%20%2B%20CONTENTS.pdf>

# Appendix A    Consultation list

## Consultation list

Annie O'Rourke, CEO Mediateam<sup>7</sup>

Andrew Hamilton, Portfolio Manager, Social Ventures Australia.

Barry Petrovski, Executive Officer, Mental Health Community Coalition ACT

Belinda Barnier, Manager Marketing, Fundraising and Communications, Australian Red Cross, ACT Head office

Danielle Krajina, Acting Senior Director, Client Services, The Registrar-General's Office, Department of Justice and Community Safety, ACT

Diane Kargas, Hon Executive Officer, GreaterGood, The Australian Capital Region Community Foundation

David Tennant, Director of Care Inc Financial Counselling Service and the Consumer Law Centre in the ACT

Georgina Snow, The Snow Foundation, ACT

Frankie Airey, Director, Philanthropy Squared<sup>8</sup>

Jane Kenny, previous manager of Philanthropy Australia, NSW office

Jason Atchinson, Prime Ministers Community Business Partnerships

Joseph Hershel, Mission Australia Executive of Donor Relations Corporate Community Partnership Team

Kellie Edwards, Community Membership Manager, CPS<sup>9</sup>

Laura Maloney, Former CEO of SPCA New Orleans, USA

Liana Busoli, NF Relations Manager, Not-For-Profit Network

Llewellyn Reynders, ATCOSS

Liz Howarth, Manager ACT Citizens Advice Bureau

Lorraine Higgins, CEO Volunteering ACT

Louise Burton, Philanthropy Australia, NSW office

---

<sup>7</sup> Media Team Australia assists community organisations across Australia to raise their public profile and attract greater support by professionalising their public relations and communications activities. As a non-profit organisation we bring a specialised understanding to supporting the needs of other non-profit organisations. [http://www.mediateam.com.au/Resources\\_MediaShoestring.aspx](http://www.mediateam.com.au/Resources_MediaShoestring.aspx)

<sup>8</sup> Philanthropy Squared is a management consulting firm whose mission is to bring enlightened strategic thinking to development and marketing in the non-profit sector. We enable our clients to create and manage an organisational culture which will result in increased funding from its supporters. Our emphasis is on encouraging and developing philanthropy in Australia as well as building our clients' capacity to raise substantial gifts and sustain generous giving indefinitely <http://www.philanthropy2.com>

<sup>9</sup> Community CPS Australia (Community CPS) was established on the 4th of March, 2006, as a result of a merger between CPS Credit Union (SA) Ltd (CPS SA) and CPS Credit Union Co-operative (ACT) Ltd (CPS ACT). CPS ACT was established in 1960 and was Canberra's largest home-grown financial institution. The credit union contributed significantly to the local community for over 40 years. CPS SA was established in 1958 by the Administrative and Clerical Officers Association, one of the main Commonwealth Public Service Unions. CPS SA was the second credit union to be established in South Australia. In 1986, CPS SA merged with Railroad Savings and Loans Society, significantly increasing its size and assets

Rachel Kerry, Grant and Research Manager, Private Clients Perpetual

Sue-Anne Wallace, CEO, Fundraising Institute Australia

Vanessa Maecken, Philanthropy Australia, Melbourne office

## Appendix B Resources

## Links to other philanthropy sites

(Adapted from Philanthropy Squared website <http://www.philanthropy2.com/about.html>)

### *Australia*

Certified Practising Accountants Australia [https://www.cpaaustralia.com.au/cps/rde/xbcr/SID-3F57FECA-01C54462/cpa/Grants in Australia.pdf](https://www.cpaaustralia.com.au/cps/rde/xbcr/SID-3F57FECA-01C54462/cpa/Grants_in_Australia.pdf)

Philanthropy Australia [www.philanthropy.org.au](http://www.philanthropy.org.au)

Non-profit Australia

Capacity building for the non-profit sector [www.non-profitaustralia.org.au](http://www.non-profitaustralia.org.au)

Givewell

Comprehensive database of Australian charities [www.givewell.com.au](http://www.givewell.com.au)

Asia Pacific Centre for Philanthropy & Social Investment

Swinburne University of Technology Melbourne [www.swinburne.edu.au/business/philanthropy](http://www.swinburne.edu.au/business/philanthropy)

Australian Taxation Office – Non-profit Organisations [www.ato.gov.au/non-profit](http://www.ato.gov.au/non-profit)

Faculty of Business: Centre of Philanthropy and Non-profit Studies

Queensland University of Technology [www.bus.qut.edu.au](http://www.bus.qut.edu.au)

Fundraising Institute of Australia [www.fia.org.au](http://www.fia.org.au)

National Roundtable of Non-profit Organisations

National forum for the exchange of information, research & knowledge [www.nfprounhtable.org.au](http://www.nfprounhtable.org.au)

Prime Minister's Community Business Partnership [www.partnership.zip.com.au](http://www.partnership.zip.com.au)

Pro Bono Australia - Directory of non-profit organisations, job listings and other resources

[www.probonoaustralia.com.au](http://www.probonoaustralia.com.au)

The Not-For-Profit Network - The Not-For-Profit Network is a for-profit organisation made up of people who are very passionate about their vision of a strong, vibrant and sustainable not-for-profit sector. Our mission is to do what we can to make that vision a reality through providing specialised services, publications and events to the sector <http://www.nfpn.com.au>

Our.Community.com.au - Our Community is a world-leading social enterprise that provides 15 Knowledge Centres – spanning all aspects of running a community group and comprising a range of resources, training, advice and tools – for Australia's 700,000 community groups and schools, as well as practical linkages between the community sector and the general public, business and government

<http://www.ourcommunity.com.au/>

### *United Kingdom*

Acevo is the Association of Chief Executives of Voluntary Organisations

[https://www.acevo.org.uk/index.cfm/display\\_page/home](https://www.acevo.org.uk/index.cfm/display_page/home)

Institute for Philanthropy [www.instituteforphilanthropy.org.uk](http://www.instituteforphilanthropy.org.uk)

New Philanthropy Capital - Advises donors and funders on how to give more effectively

[www.philanthropycapital.org](http://www.philanthropycapital.org)

Association of Charitable Foundations [www.acf.org.uk](http://www.acf.org.uk)

Directory of Social Change - An internationally recognised independent source of information and support to voluntary and community sectors worldwide [www.dsc.org.uk](http://www.dsc.org.uk)

Philanthropy UK - An initiative of the Association of Charitable Foundations – aims to help develop new philanthropy [www.philanthropyuk.org](http://www.philanthropyuk.org)

---

Institute of Fundraising - Professional membership body for UK fundraisers [www.institute-of-fundraising.org.uk](http://www.institute-of-fundraising.org.uk)

*Canada*

Canadian Fundraiser [www.canadianfundraiser.com](http://www.canadianfundraiser.com)

Canadian Centre for Philanthropy [www.imaginecanada.ca](http://www.imaginecanada.ca)

Association of Fundraising Professionals [www.afpnet.org](http://www.afpnet.org)

*United States*

American Association of Fundraising Counsel [www.aafc.org](http://www.aafc.org)

Philanthropy Roundtable: Strengthening our free society [www.philanthropyroundtable.org](http://www.philanthropyroundtable.org)

The Chronicle of Philanthropy The newspaper of the non-profit world [www.philanthropy.com](http://www.philanthropy.com)

Council for the Advancement and Support of Education (CASE) - The international association of professionals who advance educational institutions [www.case.org](http://www.case.org)

---

# Appendix C Survey



dhcs | ACT

department  
of disability,  
housing &  
community  
services.

community partners

Dear Sir/Madam

The Department of Disability, Housing and Community Services is undertaking a review of the nature and extent of philanthropic activity in the ACT. The aim of the Review is to identify the adequacy, trends and impediments to philanthropic activities and opportunities for growth in the ACT. The Department has commissioned Urbis, (formally known as Urbis Keys Young), to undertake this project.

For your information, I have attached the Terms of Reference for the Review, which will consider:

- the nature, extent and trends of philanthropy;
- assess the adequacy of locally directed philanthropy in the ACT; and
- the options to raise awareness of philanthropic opportunities.

GPO Box 158  
Canberra ACT 2601

Telephone  
13 34 27

[www.dhcs.act.gov.au](http://www.dhcs.act.gov.au)

An important aspect of the Review will be a consultation process whereby individuals and groups can participate in a descriptive survey. The survey outcomes will inform a program of structured interviews with key informants. The aim of these consultations is to gather high quality input and include a wide range of views. Ms Claire Grealy, Associate Director of Urbis will oversee the consultation process.

We would like you to consider filling out the survey and/or preparing a written submission addressing the terms of reference, as part of the consultation process.

I would like to encourage your support for this project.

Should you have any queries about the Review, please contact Ms Michelle Callen, Manager, Strategic Policy and Community Engagement on 6207 5938.

Yours sincerely

Adam Stankevicius  
Director  
Governance, Strategy and Community Policy

21 September 2007

## **Terms of Reference for the Review of Philanthropy in the ACT**

The ACT Government recognises that charities and non-profit organisations depend heavily upon philanthropy from individuals and businesses in order to function effectively and provide a range of valuable, diverse and often essential services to the community.

For the purpose of this review, philanthropy is defined as an act of giving — by individuals and businesses in the ACT — for community benefit involving money, property, expertise or time.

The review will:

- (1) Identify, analyse and report on philanthropy in the ACT, including:
  - (a) its nature and extent;
  - (b) influencing factors;
  - (c) principal recipients, including local, national and international beneficiaries;
  - (d) characteristics of philanthropic contributors; and
  - (e) trends in philanthropic giving.
- (2) Estimate the contribution of philanthropy to the operation of charities, non-profit organisations and other community benefit organisations in the ACT.
- (3) Identify impediments to philanthropy in the ACT.
- (4) Assess the adequacy of locally-directed philanthropy in the ACT in terms of supporting a vibrant, diverse and sustainable non-profit and charitable sector in the Territory, and determine the extent to which ACT philanthropic contributions are directed to non-ACT beneficiaries.
- (5) Examine models and practice in other Australian jurisdictions relating to government support for philanthropy (excluding direct financial contributions to philanthropic organisations).
- (6) Recommend options that could be pursued by the ACT Government to:
  - (a) raise awareness of philanthropic giving opportunities; and
  - (b) encourage growth in philanthropy in the ACT.



# Review of Philanthropy in the ACT

This survey is designed to focus on 'philanthropic giving'. For the purpose of this review, philanthropy is defined as an act of giving — by individuals and businesses in the ACT — for community benefit involving money, property, expertise or time. Please refer to the enclosed letter for some background to this project. The survey asks about philanthropic giving in your service/agency.

The survey has been commissioned by the ACT Department of Disability Housing and Community Services.

Please answer Question 1 and then proceed through the questionnaire as appropriate, answering all questions you feel you can answer. Then please return the survey form in the reply-paid, addressed envelope provided by November 5 2007.



1. Which of the following best describes the target group for your organisation/service/group? (please tick all that apply)

- |   |  |
|---|--|
| <input type="checkbox"/> Aboriginal or Torres Strait Islanders                                  | <input type="checkbox"/> Home care                       |
| <input type="checkbox"/> Older persons  | <input type="checkbox"/> Homelessness                    |
| <input type="checkbox"/> Animals  | <input type="checkbox"/> Housing                         |
| <input type="checkbox"/> Arts   | <input type="checkbox"/> Migrants                        |
| <input type="checkbox"/> Carers   | <input type="checkbox"/> Recreation/sporting             |
| <input type="checkbox"/> Children   | <input type="checkbox"/> Religious                       |
| <input type="checkbox"/> Criminal justice/Legal   | <input type="checkbox"/> Welfare                         |
| <input type="checkbox"/> Disability   | <input type="checkbox"/> Woman                           |
| <input type="checkbox"/> Education  | <input type="checkbox"/> Youth                           |
| <input type="checkbox"/> Employment/training  | <input type="checkbox"/> other - please specify category |
| <input type="checkbox"/> Environment  | _____  |
| <input type="checkbox"/> Financial/income support   | _____  |
| <input type="checkbox"/> Health related including mental health, alcohol and other drug use etc |  |

2. Which of the following apply to your organisation? (please tick all that apply)

- Currently receiving philanthropic giving
- Have received philanthropic giving
- Actively pursuing philanthropic giving
- Do not receive any philanthropic giving
- other - please specify \_\_\_\_\_

3. Which of the following do you think are the benefits of philanthropic giving? (please tick all that apply)

- |   |  |
|---|--|
| <input type="checkbox"/> Allows our organisation to be more vibrant and diverse         | <input type="checkbox"/> Can be significant donations of time                                      |
| <input type="checkbox"/> Gives our organisation more freedom                            | <input type="checkbox"/> Can be source of expert help, eg pro bono work from professional firms    |
| <input type="checkbox"/> Provides additional funding for core services/activities       | <input type="checkbox"/> Allows our organisation to invest time and money in more risky strategies |
| <input type="checkbox"/> Provides additional funding for additional services/activities | <input type="checkbox"/> other - please specify  |
| <input type="checkbox"/> Tends to be given with no/fewer strings attached               | _____  |
| <input type="checkbox"/> Gives an outlet for those who support what we do               | _____  |
| <input type="checkbox"/> Can be significant financial donations                         |  |

4. Which of the following are the most significant benefits? (please tick all that apply)

- Allows our organisation to be more vibrant and diverse
- Gives our organisation more freedom
- Provides additional funding for core services/activities
- Provides additional funding for additional services/activities
- Tends to be given with no/fewer strings attached
- Gives an outlet for those who support what we do
- Can be significant financial donations
- Can be significant donations of time
- Can be source of expert help, eg pro bono work from professional firms
- Allows our organisation to invest time and money in more risky strategies
- other - please specify \_\_\_\_\_

5. In what form are you receiving or have received philanthropic giving? (please tick all that apply)

- |  |  |
|--|--|
| <input type="checkbox"/> Grants from Foundations or Trusts | <input type="checkbox"/> Awards                        |
| <input type="checkbox"/> Bequests                          | <input type="checkbox"/> Scholarships                  |
| <input type="checkbox"/> Volunteers                        | <input type="checkbox"/> Sponsorships                  |
| <input type="checkbox"/> Community/Business Partnerships   | <input type="checkbox"/> From Prescribed Private Funds |
| <input type="checkbox"/> Donation                          | <input type="checkbox"/> Property                      |
| <input type="checkbox"/> Pro bono expertise                | <input type="checkbox"/> other - please specify        |
| <input type="checkbox"/> Fund raising                      |  |
- 

6. From whom do you, or have you, received philanthropic giving?

Free text (name of Foundation or Trust, Business, if a private person, please state 'private individual')

---

7. Thinking about money donations or financial contributions (other than government grants, contracted service funding, or charges to service users) that would qualify as 'philanthropic giving', what is the total amount that your organisation has received in the past 12 months?

- |  |   |
|--|---|
| <input type="checkbox"/> Less than \$5,000 | <input type="checkbox"/> \$50,000-\$99,999                  |
| <input type="checkbox"/> \$5,000-\$9,999   | <input type="checkbox"/> \$100,000-\$249,999                |
| <input type="checkbox"/> \$10,000-\$24,999 | <input type="checkbox"/> \$250,000-\$499,999                |
| <input type="checkbox"/> \$25,000-\$49,999 | <input type="checkbox"/> \$500,000+ (please specify _____ ) |

8. As a proportion of your total revenue from all sources, what % of the total would the financial contributions from philanthropic giving be? (if you don't know the precise figure, please give your best estimate)

Please write in the figure \_\_\_\_\_ (between 0% to 100%)

9. Does your organisation engage volunteers?

- Yes  No

10. If yes, can you estimate the average amount of hours of contribution per volunteer per week?

Please write in the figure \_\_\_\_\_ hours

11. Is your organisation registered as a Designated Gift Recipient?

- |   |  |
|---|--|
| <input type="checkbox"/> Yes                      | <input type="checkbox"/> Do not intend to apply      |
| <input type="checkbox"/> No                       | <input type="checkbox"/> Require further information |
| <input type="checkbox"/> Are considering applying |  |

12. Which of the following strategies for obtaining or sustaining philanthropic giving has your organisation tried? (please tick all that apply)

- |   |   |
|---|---|
| <input type="checkbox"/> Set up a fund raising committee to establish priorities and strategies | <input type="checkbox"/> Develop partnerships with businesses, for example, In-kind contributions from experts, especially from a corporation or company  |
| <input type="checkbox"/> Identify prospective donors  | <input type="checkbox"/> Creating NGO Networks – for example, bring together a coalition of partners of other NGOs, universities, research institutions, help in pooling and developing the knowledge and skills needed for fundraising |
| <input type="checkbox"/> Prepare and organise fundraising events                                |   |
| <input type="checkbox"/> Design and write letters to major donors                               |   |
| <input type="checkbox"/> Keep records of funds and gifts  |   |
| <input type="checkbox"/> Diversify the range of donors  | <input type="checkbox"/> other - please specify category  |
- 
-

13. Which of these strategies have been most effective in raising funds or sustaining philanthropic giving support for your organisation? (please tick all that apply)

- |   |   |
|---|---|
| <input type="checkbox"/> Set up a fund raising committee          | <input type="checkbox"/> Develop partnerships with businesses, for example, In-kind contributions from experts, especially from a corporation or company  |
| <input type="checkbox"/> Establish priorities                     | <input type="checkbox"/> Creating NGO Networks – for example, bring together a coalition of partners of other NGOs, universities, research institutions, help in pooling and developing the knowledge and skills needed for fundraising |
| <input type="checkbox"/> Identify prospective donors              | <input type="checkbox"/> other - please specify category  |
| <input type="checkbox"/> Prepare and organise fundraising events  |   |
| <input type="checkbox"/> Design and write letters to major donors |   |
| <input type="checkbox"/> Keep records of funds and gifts          |   |
| <input type="checkbox"/> Diversify the range of donors            |   |
- 
- 

14. Do you have a budget set aside to cover the resources you expect to devote to seeking philanthropic giving or maintaining current levels of giving? If so, please indicate an approximate % of the total budget

Please write in the figure \_\_\_\_\_ (between 0% to 100%)

15. How much staff time is devoted to seeking philanthropic giving or maintaining current levels of giving?

Number of staff with dedicated role (if any) \_\_\_\_\_ (please indicate number of staff)

Number of staff with some responsibility \_\_\_\_\_ (please indicate number of staff and % of time spent on philanthropic giving)

16. Which of the following do you think would be the most significant in increasing philanthropic giving to your organisation? (please tick all that apply)

- |   |   |
|---|---|
| <input type="checkbox"/> Knowing more about sources of philanthropic giving                               | <input type="checkbox"/> Hearing about how philanthropic giving has helped other organisations like ours                    |
| <input type="checkbox"/> Knowing more about different kinds of philanthropic giving                       | <input type="checkbox"/> Having a section within the ACT government that advises organisations seeking philanthropic giving |
| <input type="checkbox"/> Being able to attend events where we can meet philanthropists                    | <input type="checkbox"/> other - please specify category  |
| <input type="checkbox"/> Having seminars on how to be more effective in securing funds or support         |   |
| <input type="checkbox"/> Having access to websites that give information and advice                       |   |
| <input type="checkbox"/> Having access to booklets and workbooks on seeking and securing funds or support |   |
- 
- 

17. What do you think are the main barriers to obtaining and sustaining philanthropic giving? (please tick all that apply)

- |  |   |
|--|---|
| <input type="checkbox"/> There are a limited number of sources of funding or support         | <input type="checkbox"/> The potential benefits are outweighed by the costs                             |
| <input type="checkbox"/> There is limited time/resources to investigate/pursue options       | <input type="checkbox"/> We don't know who to approach  |
| <input type="checkbox"/> Lots of organisations are trying to get the same funding or support | <input type="checkbox"/> We don't know how to approach people or organisations for philanthropic giving |
| <input type="checkbox"/> It is not reliable income   | <input type="checkbox"/> If people are doing probono work, they don't give you priority                 |
| <input type="checkbox"/> Those making financial donations will want something in return      | <input type="checkbox"/> If people are doing probono work, it's not such good quality                   |
| <input type="checkbox"/> Volunteers are well meaning but not reliable                        | <input type="checkbox"/> If we increase philanthropic giving, the government will just cut our funding  |
| <input type="checkbox"/> It causes complex administration, eg tax issues                     | <input type="checkbox"/> Other please specify   |
- 
-



#### Sydney

Level 21, 321 Kent Street  
Sydney, NSW 2000  
Tel: +612 8233 9900  
Fax: +612 8233 9966

#### Brisbane

Level 12, 120 Edward Street  
Brisbane, QLD 4000  
Tel: +617 3007 3800  
Fax: +617 3007 3811

#### Dubai

Burjuman Business Tower  
18th Floor, Bur Dubai  
Dubai UAE  
Tel: +971 4 509 6674  
Fax: +971 4 509 6797

#### Melbourne

Level 12, 120 Collins Street  
Melbourne, VIC 3000  
Tel: +613 8663 4888  
Fax: +613 8663 4999

#### Perth

Ground Floor, 53 Ord Street  
West Perth, WA 6005  
Tel: +618 9346 0500  
Fax: +618 9321 7790

Australia · Asia · Middle East  
[www.urbis.com.au](http://www.urbis.com.au)  
[info@urbis.com.au](mailto:info@urbis.com.au)