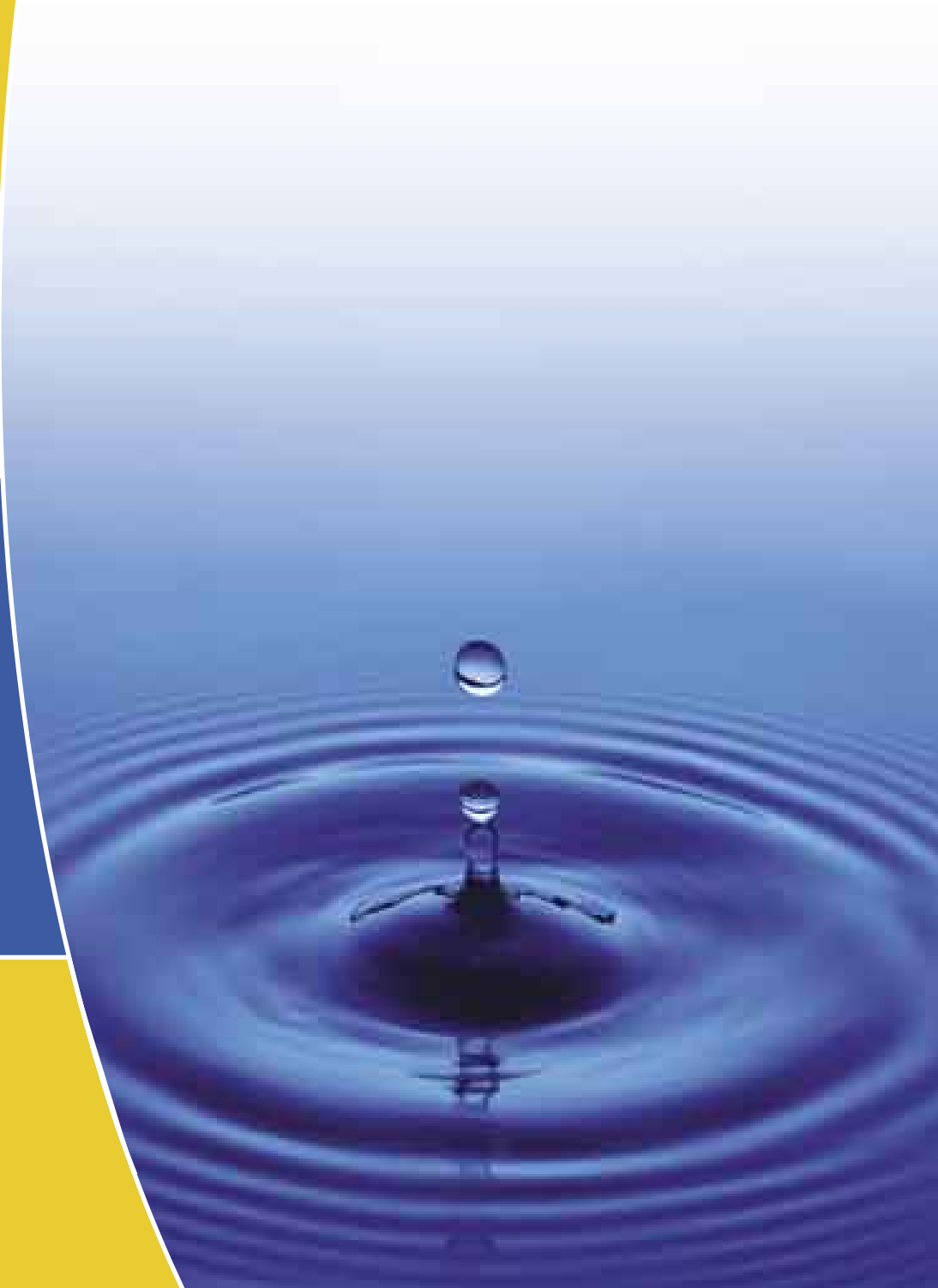


# Philanthropy's Future in the Smart State



QUEENSLAND  
COMMUNITY  
FOUNDATION







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## Foreword

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### *Foreword to Philanthropy's Future in the Smart State*

Her Excellency Ms Quentin Bryce, AC  
Governor of Queensland

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Queensland has a strong tradition of giving, and has been blessed with a long line of benefactors whose legacies endure for the enrichment of our community.

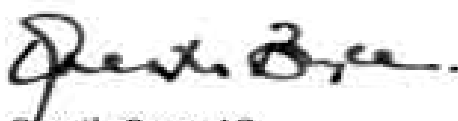
I commend the Queensland Community Foundation for building on this spirit of philanthropy, drawing our attention to the needs of our community, and simplifying the process of giving so that those needs are met.

The tremendous support for the Foundation by the people of Queensland is evident from their willingness to make testamentary bequests that they consider to be investments in the future of our state. Bequests are held in trust, invested, maintained in perpetuity, and the resultant income applied according to the Foundation's grant-making guidelines. For many, their offering represents a lifetime of savings.

The Foundation's Governors are attentive to the need to make grants judiciously and responsibly to ensure that the services provided by our many non-profit organisations are equitably supported. They have in place a comprehensive process to identify priorities and to determine how grants can best advance community health, quality of life and well-being.

This report summarises views of the community expressed during the process, statistical data, and historical facts and projections, and draws conclusions that will serve as a guide to the Foundation's Governors in their future grant-making.

I trust that it will become an important resource for benefactors, non-profit organisations, and other grant-makers committed to the enhancement of Queensland society.

  
Quentin Bryce, AC  
August 2005



## Queensland Community Foundation - an outline

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The **Queensland Community Foundation (QCF)** was established by the Public Trustee in 1997, as a public charitable trust set up to serve the State's communities by providing a permanent funding source for nonprofit organisations that are classed as Deductible Gift Recipients. Individuals, companies, charities and other groups - sometimes communities - may establish a special fund under the QCF Trust Deed to support a cause or causes of their choice in their chosen geographic area. The funds are invested in perpetuity and the income is distributed for eligible causes. Only the income is distributed, not the capital fund, thus creating an income stream for the future.

Queensland Community Foundation is sponsored by three organisations - **The Public Trust Office of Queensland, QIC (formerly known as Queensland Investment Corporation)** and **Anglo Coal Australia**. Each of the sponsors commits not just financial assistance but also resources and services to ensure none of the donated or bequeathed funds are used in administration charges.

The QCF **Board of Governors**, chaired by the Hon Mike Ahern, is entirely voluntary and consists of leaders from a variety of fields who give their time as a community service. It is the responsibility of the Board to provide recommendations and information to the Trustee. The Board of Governors and the sponsors have formed a Management Committee to assist in the day to day administration of the Foundation.

The QCF is a charitable fund that is exempt from taxation (50-5 Income tax Assessment Act 1997). It is also a Deductible Gift Recipient for the purposes of income tax (30-15 item 2) and specifically is classed as an "ancillary fund".

Since establishment in 1997 the pool of invested funds has grown to more than **\$12 million**. Of this amount more than **\$1,000,000** is held in the General Fund.

Through careful reporting and tracking of wills written both by the Public Trust Office and private will writers QCF is aware of more than **\$250,000,000 in bequests** that may come to

QCF in time. Many of these bequests will fund the perpetual income stream for charities and non profit organisations with established sub funds in QCF. There is also a considerable sum bequeathed to the General Fund, thus growing the granting capability of QCF.

In the calendar year 2004 an average of \$4 million per month was made known to the QCF as forming part of unrealised bequests. From January 2004 to September 2005, an actual \$4,799,402 was given in trust to QCF from bequests.

QCF anticipates making grants from the General Fund in the near future. A policy, defining the criteria and size of the grants is being developed in conjunction with this Report. There will be some restrictions imposed by the QCF trust deed and income tax regulations. The major restriction is that the QCF can disburse grants only to endorsed Deductible Gift Recipients (DGRs). DGRs are endorsed by the Australian Taxation Office and represent only a fraction of nonprofit and charitable organisations.



## Executive Summary

Queensland has a rich heritage of philanthropy that has advanced our society immeasurably through connecting human need with vital services, often volunteer-driven and delivered by nonprofit agencies. The endeavours of nonprofits' staff and volunteers, who develop the opportunities provided by philanthropy to address issues facing our society and to connect individuals and communities, contribute significantly to the richness, diversity and creativity of life in Queensland. This mosaic of endeavours constitutes an important foundation of the Smart State.

Governors of the Queensland Community Foundation (QCF) are aware of the ability of philanthropy to transform communities, to unite individuals in shared undertakings, to develop innovative responses to real human need and to provide a resource platform for significant advances by governments and for-profit industries. The great, creative, flourishing communities across history, whether in ancient Greece, renaissance Florence or contemporary Silicon Valley, are characterised not only by innovation through technological expertise and inventions but also by inspiration, philosophies and energy from the arts, culture, education and community participation. The merging of cultural and technological creativity is a central component of new knowledge-based economies that permeate all areas of human endeavour and determine our quality of life.<sup>1</sup>

As the driver of community life, and the home of the arts, culture, community services, education, religion, many health and environmental services and a host of other activities contributing to human well-being and the robustness of the State in which we live, the nonprofit sector is a central component of the Smart State. The vitality of the nonprofit sector determines how well technological advances are absorbed into and

contribute to our lives. Convergence of cultural, community and technological innovation is now a requirement of the "liveability" of a community. The sustainability of the Smart State requires a vibrant, innovative nonprofit sector that unites communities and reflects our aspirations as a civilised society.

Wishing to contribute further to the Smart State, to be part of the vitality and creativity that advances our quality of life and civilisation through the nonprofit sector, by maximising the outcomes of its grants, Governors approved a comprehensive operations plan designed to offer options to QCF on grant making policies and procedures in relation to its General Fund.

QCF has established itself firmly in the Queensland community through the grants it has been making from its named funds, through the significant bequest expectancies it has recorded and through its efficient, effective management and governance, all underwritten by sponsors so that benefactors' funds are maximised and allocated solely for community benefit.

The operations plan took note of QCF's state-wide reach and included the following:

- A series of three seminars, to which staff of nonprofits and members of the general public were invited, and designed to:
  - gather data on Deductible Gift Recipients (the only bodies to which QCF can donate) in Queensland;
  - map out changes in Queensland's demographics and thus anticipated demands on DGRs' services in the coming years;
  - gain information on how philanthropy is currently distributed and where most critical areas of unmet need lie;

- A survey of staff in nonprofit organisations seeking views on the most user-friendly and most effective policies and procedures adopted by charitable trusts and foundations;
- A series of focus groups and in-depth interviews with staff in different sectors of the nonprofit industry to analyse findings from the survey and to identify not only the most effective policies and procedures for QCF but also the most appropriate uses of grants from the General Fund; that is, to identify philanthropic niches for QCF.

Contributors to this Report analysed the finding of all components of the operations plan, undertook further research and identified the following:

- DGRs covering almost all areas of endeavour are found across Queensland and hence QCF will be able to reach most geographic areas through its grant making from the General Fund;
- DGRs in Queensland lag behind Victoria and New South Wales in terms of philanthropic receipts;
- Between 2001 and 2051, one half of the increase in Australia's population will occur in Queensland leading to increased demand for the services of DGRs;
- There are large numbers of small DGRs across Queensland, with probable gaps in management and governance capacities;
- Given the Queensland Government's support of the "Strengthening NGOs Project", funding nonprofit-specific education in management and governance including fund raising and grant writing may be an effective use of QCF grants from the General Fund and one that helps DGRs secure additional funding;





- Given also the vast distances and high cost of intrastate travel in Queensland, QCF could consider funding administrative components of service delivery to rural, regional and remote communities, filling gaps left by other funding programs;
- Taking into account the reduced capacity in many DGRs, QCF may consider implementing flexible policies and procedures in relation to its grant making from the General Fund;
- QCF needs to consider :
  - offering options for DGRs to respond on-line and in hard copy as well as inviting DGRs to respond;
  - being open and available to inquiries from DGRs;
  - having clear, explicit granting policies, guidelines and application forms available that are flexible according to outcomes sought and to DGRs' situations;
  - providing feedback at all stages of the application and granting process;
  - adopting a tiered approach to applying, reporting and evaluating by DGRs that is consistent with the size and nature of each grant and the outcomes sought;
  - paying particular attention to due diligence of management and governance as a safeguard for making effective grants;
  - developing partnerships with DGRs and other funding bodies and acting as a networker to encourage other partnerships and collaborative exercises involving DGRs;
  - being a knowledge broker in the field of philanthropy.

Queensland Community Foundation has a pivotal role to play in the development of philanthropy in Queensland and the enhancement of the State's rich philanthropic heritage. Philanthropy, and the community engagement, richness of life experiences, debate, stimulus to culture and the arts, services and fulfilment of human need that philanthropy brings via our nonprofits, are cornerstones of the Smart State. The vitality of the nonprofit sector is essential to the convergence of technological and creative innovation and to the application of technological advancement to community activities and hence to our quality of life. This Report attempts to highlight the best options for QCF and philanthropy to play an ever-increasing role in the Smart State.

<sup>1</sup> See: Sir Peter Hall, "Cities in Civilization: Culture, Innovation and Urban Order", Pantheon Books, New York, 1998.







## Introduction

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### OVERVIEW

This Report arose from a need within the Queensland Community Foundation to highlight that, just as biotechnology and other sciences contribute to the Smart State phenomenon, so too do the creativity and diversity of numerous community activities, stemming from organisations devoted to the public good, that make up the colourful mosaic of the whole. The world's great communities have creativity as their basis and a melding of technological and cultural innovation that creates real quality of life. The gathering of experts across all fields of endeavour is what creates a vibrant community and is the sign of a truly developed society. This is the hallmark of great, flourishing civilisations past and present.

In Queensland at least, creativity is often delivered by nonprofit agencies involved in the arts, culture, education, human and community services, pastimes, the environment, debate and volunteer services focussing on real human need with people engaged in community life, often crossing traditional sectoral boundaries, unrestrained by silos.

Queensland Community Foundation Governors also identified a need to share experiences of philanthropy with others, to build on those experiences and to gain insight to how philanthropy might impact on our society in the coming years. What does philanthropy mean for the nonprofits engaged in so many areas of endeavour benefiting the community and adding to the rich reservoir of creativity and diversity that makes up the Smart State?

This Report is an overview of philanthropy in Queensland, past and present and of our options for ensuring that philanthropy plays an increasingly important, multi-faceted role in the life of Queenslanders.

An important objective of the Report on the part of Governors of the Queensland Community

Foundation is documenting and analysing the facts that need to be considered before making wise grants from the capital in the General Fund that benefactors leave in trust for the Foundation to manage, grants that make profound and enduring positive differences to our society.

It is our hope that all readers of this Report will see how they also can play a part in the future of Queensland, benefiting causes, areas of endeavour and organisations that they feel strongly about, by leaving bequests in their wills for management and granting by the Queensland Community Foundation.

Our hope is also that this Report will be a useful guide for other grant making bodies, both for the process that we adopted and for the outcomes of our research and community consultations. Grant making is a complex, difficult area. Grant makers tend to be judged by how well beneficiaries of their grants perform and by the degree to which their grants make the world a better place, even in some small way. Through their programs, grant makers affirm their faith in the nonprofit organisations that they fund and they need to be confident that grants will be well spent and will make real, positive differences for the community. The quality of the management and governance of nonprofits is therefore of prime concern to grant makers.

We also hope that nonprofits will be encouraged to develop an active, focussed approach to funders and that this Report will help remove some of the mystery that, rightly or wrongly, seems to envelop grant making.

If this Report goes some small way in promoting better dialogue between grant makers and applicants, in stimulating members of both parties to ask probing questions and to understand the rationale behind views and policies, then we will have rendered a service to the world of philanthropy.

### PROCESS

#### Rationale

Let us now look at how we went about the research, planning and community consultation that resulted in this Report.

Governors at Queensland Community Foundation (QCF) are very aware that while the Foundation has established a good reputation and profile, and while it holds promises of bequests in wills from community-minded benefactors, as well as realised funds from deceased benefactors, it needs to ensure that it makes wise grants that give certain organisations strength to help our community and that contribute to a better life in Queensland. Sponsors of the Foundation generously agreed to underwrite a comprehensive process aimed at identifying philanthropic niches that Queensland Community Foundation might occupy in the short to medium term and possibly also long term following evaluations after five years of grant making. The process aimed also at giving Queensland organisations, many of which are named funds of the Foundation, a voice in how philanthropy can best help them help the community.

The QCF Management Committee outlined a process to arrive at recommendations and in March 2005 an operations plan was approved. The key components of the plan were:

- A series of three seminars to which staff of nonprofit organisations, peak bodies, grant making bodies and members of the general public were invited;
- A survey to which staff of hundreds of nonprofits and peak bodies were asked to respond;
- A series of six focus groups and multiple in-depth interviews with staff of nonprofits.



## Seminar Series

The first component was a series of seminars, held at Queensland University of Technology with the support of the Centre of Philanthropy and Nonprofit Studies, and designed to:

- scope the level and nature of nonprofit activity in Queensland;
- encourage staff of nonprofits to identify their future directions, based on demographics and current and future possible trends in Queensland;
- identify philanthropic niches, including those that Queensland Community Foundation might occupy.

The seminars were video taped and made available for viewing on the Internet on demand at <https://olt.qut.edu.au/bus/BS39>.

The first seminar, held on 13 April and conducted by Professor Myles McGregor Lowndes, Director of QUT's Centre of Philanthropy and Nonprofit Studies, examined: the current situation for Queensland nonprofits; how they compare with similar organisations nationally and internationally; their sources of funding and the level of philanthropy they enjoy; and how these sources and levels vary by state and by area of activity. The seminar gave nonprofits an appreciation of the philanthropic landscape and the funding environment in which they operate as well as clarifying how their dependence on philanthropy compares with that of other organisations, in Queensland and nationally. The seminar also highlighted the potential for encouraging philanthropy and fund raising in Queensland.

The aim of the seminar in relation to this Report was to focus staff of nonprofits on the role that philanthropy plays in their organisations, the difference that it makes and the part that it might occupy in their planning for the future. Attendees

were encouraged to assimilate information gathered from the seminar and to use it in responding to the survey and in attending focus groups.

The second seminar was held on 18 May 2005 and was addressed by two senior staff in Queensland Treasury and three Parliamentary Secretaries. Assistant Under Treasurer Ken Sedgwick and Acting Government Statistician and Assistant Under Treasurer Dr Gary Ward outlined Queensland's economic and fiscal positions, past and projected. They also described the role of the non government sector and issues for the future as well as overall trends for NGO service provision. Attendees were encouraged to assess their roles in the future needs of Queensland by virtue of its growing population, industry, economy and other trends.

The second part of this second seminar of the series heard from informed political representatives about the shape of Queensland in the next decade and the role of nonprofit organisations.

Speakers were:

- Linda Lavarch MP, (currently Attorney General), State Member for Kurwongbah and (at the time) Parliamentary Secretary to the Minister for Energy and Minister for Aboriginal and Torres Strait Islander Policy;
- Kerry Shine MP, (currently Parliamentary Secretary to the Minister for Communities, Disability Services and Seniors and Premier's Advisor on Western Queensland), State Member for Toowoomba North and (at the time) the Chair of Caucus and a Deputy Speaker of the Queensland Parliament;
- Karen Struthers MP, (currently Parliamentary Secretary to the Minister for Employment, Training and Industrial Relations), State Member for Algeester and (at the time) Parliamentary Secretary to the Premier (Multicultural Affairs) and Minister for Trade.

Speakers gave insights from their areas of expertise, covering Indigenous issues, the strengthening NGOs project and leading innovation in the community sector.

The purpose of the second seminar was to help staff of nonprofits focus on how changing climates and environments in Queensland will make new demands on them and on the types, character, and quantity of services they provide. Staff were invited to consider how philanthropy may best play a role in their long-term strategic planning as they prepare to face the impact that changes in Queensland's demographics will inevitably bring to them. Attendees were encouraged to use the information and ideas that they gleaned from the seminar in completing the survey and in contributing to the focus groups.

The third seminar of the series, held on 22 June 2005, heard from representatives of five private, corporate, government and trustee organisations about their grant making strategies. These were:

- Marina Constanti, Administrator, The Thomas Foundation,
- Jane Haley, Director, Artsupport Australia,
- Sara Parrott, National Manager, Ernst & Young Foundation,
- Reg Trevaskis, Regional Manager Queensland, Perpetual Trustees,
- Dr Linda Griffith, Consultant, ANZ Charitable Services.

Representatives outlined their priority areas of funding, what they look for in nonprofit organisations and projects when they consider funding them, the level of funding they distribute annually in Queensland and forthcoming plans in grant making.



The aim of the seminar in relation to this Report was to encourage attendees to reflect on the types of grant making that they found the most constructive and to encourage them to identify areas that are traditionally not funded by charitable trusts and foundations.

### **Survey**

Following the series of three seminars, the second component of the operations plan, a widely distributed survey of nonprofits, was implemented. Staff members in each of several hundred nonprofits and peak bodies were invited to respond to the survey which included fifteen questions and was available on-line. The survey was designed to establish the broad directions of nonprofits' future philanthropic needs, including the role played by charitable trusts and foundations in their fundraising and their views on the most effective ways to interact with charitable trusts and foundations. The Centre of Philanthropy and Nonprofit Studies collated the resulting data which form part of the findings of this Report.

### **Focus Groups**

The third component of the operations plan was a series of focus groups conducted by the three contributors to this Report at the Centre of Philanthropy and Nonprofit Studies and with support from the Centre's staff. Staff of nonprofits were invited to attend one of six focus groups based on their field of activity, including:

- community service;
- health and research;
- education;
- arts and culture;
- religion;
- aged care.

In-depth interviews were held with a range of others including representatives of Indigenous and arts groups.

The focus groups built on information gathered from the survey to identify further nonprofits' views of charitable trusts and foundations, including how relationships can be optimised and can result in more effective, satisfactory grant making and more efficient acquittal of grants. Attention was paid to identifying philanthropic niches that Queensland Community Foundation can occupy, niches that make the best use of carefully stewarded philanthropic funds and create opportunities for nonprofits to serve their constituents better. Attendees were asked to describe their views on the most sought-after and effective types of grants and on how charitable trusts and foundations can maximise the impact of their grant making.

### **Research**

In addition to the three components of the operations plans, the three contributors to this Report undertook research, reflected in the presentation of facts and analyses.

### **Collation of Information**

This Report discusses the findings from the seminars, the survey, the focus groups and the interviews and outlines the challenges and opportunities that arise from the findings in relation to grant making.

The findings will be important in defining grant making guidelines, policies and procedures for Queensland Community Foundation in the short to medium term at least and will impact also on long-term thinking and plans.

The findings from this entire process highlight the high level of nonprofit activity in Queensland and the enormous contribution it makes to the well-being and happiness of our population.

For many organisations, philanthropy constitutes an essential part of annual income and these organisations depend on the generosity of the people to undertake their good work. For others, philanthropy may be only a small part of annual revenue but it is a vital part that permits those extras that make a huge difference to daily life.



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## SUMMARY

It is our hope that readers of this Report appreciate the significant input of nonprofits in Queensland, their levels of innovation, dedication and hard work, their vital contribution to the creativity, diversity and quality of life in the Smart State, the value of philanthropy to them and their ability to return to their donors a genuine sense of helping advance a greater cause that goes far beyond material rewards.

We hope that this Report will prompt better communication between nonprofits and grant makers so that philanthropy has the best chances of achieving the most effective outcomes for the good of the community.

Readers from nonprofits will, we hope, gain a deeper appreciation of the need for them to respond clearly, succinctly and methodically to grant makers, at all times maintaining a high degree of personalisation. We hope they will also gain insight to the challenges facing grant makers and to the principles and values that they strive to uphold in their grant making as well as the restrictions and limitations that they face.

We hope that readers from grant making bodies will gain more understanding of the difficult, demanding work that nonprofits face every day, of their preciously guarded resources including the human resources that they invest into seeking funds, of the innovation and excellence that many of them espouse and of their need for clear, sympathetic guidance in the often overwhelming environment of applying for grants.



## History of Philanthropy in Queensland

### THE EARLY YEARS

Aborigines and Torres Strait Islanders populated the mainland and islands now known as Queensland for many thousands of years. Wealth accumulation was unknown and philanthropy as a voluntary distribution of wealth for the good of others was simply a part of life.

There was little room for philanthropy in the harsh conditions of the penal settlements of Queensland in the second quarter of the nineteenth century or in the colonial period that followed. Even squatters and other settlers who travelled up the inland tracks from Sydney to take land for pastoral pursuits left little evidence of any philanthropic activity.

There is no doubt that there were significant human needs to be met during these times, and as pastoralists became successful throughout the State, and as gold was discovered near Gladstone, then in Gympie, Charters Towers, Coen and Croydon, some people became rich, but co-existence of need and riches produced little philanthropic activity.

The impetus for philanthropy was the **founding of charitable** organisations for the pursuit of noble causes. The establishment of such organisations was a feature of the late Victorian period in most settlements of the British Empire. Initially the causes were temperance, suffrage, medical aid, relief of poverty, animal cruelty, human disability, Christian missionary endeavour, and child care, but these have since expanded to include environmental, medical research and almost every imaginable cause.

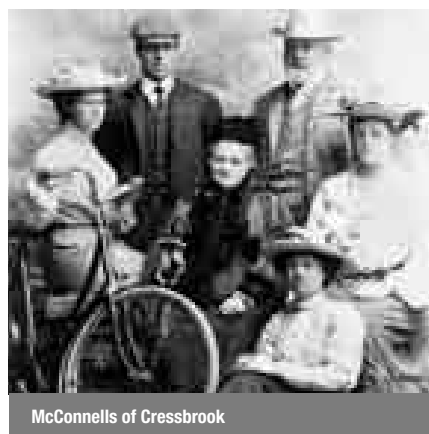
These programs were not established by wealthy patrons and endowed with sufficient funds to undertake their work, rather they were established by concerned citizens who were wealthy enough to have time to devote to charitable works and to the raising of funds - people like **Mary McConnell** of Cressbrook in the Brisbane River Valley whose Ladies' Committee raised funds and community

support for the establishment of Brisbane's first children's hospital in 1878. With programs to implement, and often with staff to maintain, these charitable organisations were active in identifying potential financial supporters and enlisting their aid.

The solicitations often were in the form of **subscriptions** - pledges paid monthly or quarterly over a period of time. On occasions, Government sought to stimulate philanthropy by offering to match private contributions or to make a contribution once a certain sum had been donated by the public. The offer to establish **grammar schools** in any community that could raise more than £1,000 towards the cost stimulated the philanthropy that created Ipswich Grammar School and Brisbane Grammar School.

Through the **wars**, the South African (Boer) War, 1899-1902, World War I (1914-1918) and World War II (1939-1945), and in the years following each war, Queenslanders donated money and materials in kind for various patriotic and comfort funds to support soldiers abroad.

Queensland developed distinctive **workplace-based philanthropy** including employee organisation funds for specific causes such as the Ipswich Road Tramways Crippled Children and Orphans' Entertainment Fund, and the Brisbane Tram and Bus Employees' Crippled Children and Orphans' Fund.



McConnells of Cressbrook

### POST-WAR ACTIVITY

The post-war period saw a flurry of capacity building in suburbs and small towns across Australia and Queensland was no exception. A key impetus for this philanthropy for infrastructure was the **"War Memorial"** designation that provided tax relief for contributions to designated war memorial projects. These were limited only by imagination and included: hospitals (St Andrew's War Memorial Hospital and St Martin's War Memorial Hospital [now closed] in Brisbane); parks (such as Allora War Memorial Park, Rocky Creek War Memorial Park [Atherton Tableland]); libraries (such as War Memorial Library at Brisbane Grammar School, and Buderim War Memorial Library); swimming pools (such as those in Mareeba, Rockhampton, Mackay, Gympie, and at the Gatton Agricultural College, now University of Queensland Gatton Campus); churches (such as All Saints Memorial Church, Tamrookum via Beaudesert); church halls (such as St Paul's Memorial Hall, Maryborough, St Oswald's Anglican Church Hall, Banyo, and St Peters Anglican Church Hall, Coolangatta); community halls (such as those in Mitchell, Leichardt, Caboolture, Kilcoy, Maidenwell, Springsure, Mt Gravatt, Palmwoods, Pialba and the wonderfully-named Boonarga Cactoblastis Memorial Hall) and the Masonic Memorial Centre (Ann Street, Brisbane).

The relative prosperity of the 1920s saw organisations striving to enlist philanthropic support to match their service aspirations. The first campaign of the **Queensland Cancer Fund**, in 1927-28, raised more than £51,000. At this time, the State Government sought to enlist philanthropic support for its ambitious plan to provide hospitals across the highly decentralised State and paid hospitals £2 for every £1 raised.

**Payroll contributions** were promoted, particularly for the Queensland Crown Employees Patriotic Fund during World War II.





## CORPORATE PHILANTHROPY

The early 1970s saw the most important development in corporate philanthropy in Queensland - the establishment of the **Utah Foundation**. The Foundation was the idea of executives of the Utah Development Company, then mining coal in Queensland. Under its inaugural Chairman, Sir Zelman Cowan (then Vice-Chancellor of The University of Queensland) and with the support of approximately \$400,000 to \$500,000 per year from the company, and with administrative support provided by the company, the Foundation created an extensive and thoughtful grants program beginning in the 1975-76 financial year.

The Utah Foundation made grants across areas of social welfare, the performing arts, medical research, social science and operational medicine, and gave special allocations towards national and international conferences, education, Aboriginal welfare, general cultural activities as well as grants to museums and conservation.

The Utah Foundation was thoughtful in its activities. Some of its support, such as to the Australian Opera, was a catalyst for support from other organisations. The Foundation sought to improve the general environment for corporate support and, with The Myer Foundation, funded a study group which produced a report on building private sector support for the arts.

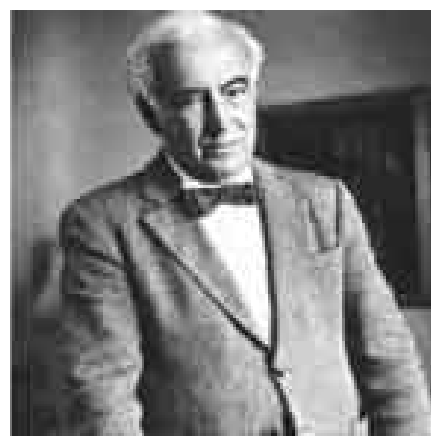
Unlike many foundations based in southern capitals, the Utah Foundation took a national approach to grant making. Its first year of distributions included funds for The Australian Opera, Noah's Ark Toy Library (Melbourne), University of Sydney, the Australian Museum, University of Melbourne, Royal District Nursing Society of South Australia, the Oombulgurri Aboriginal Community, Wyndham, Western Australia, the National Parks and Wildlife Service of NSW and many other interstate organisations.

In 1984 Utah Development Company became a wholly-owned subsidiary of Broken Hill Proprietary Limited (BHP). From the following year the Utah Foundation was funded by the Central Queensland Coal Associates Joint Venturers - BHP, Queensland Coal Trust, Mitsubishi Development, AMP Society, Bell Resources and Pancontinental Mining. Eventually these companies decided to pursue separate philanthropic programs and the Utah Foundation closed on 30 June 1989 having distributed \$9.1million.

The legacy of the Utah Foundation lives on through community support programs of the large Australian mining companies, **Rio Tinto** and **BHP Billiton**. These companies and subsidiaries exercise their corporate philanthropy on several levels, including recently established community development funds in several Queensland communities covering Gladstone, Yabooloo, Weipa and Cunningham. **Mount Isa Mines** (now Xstrata) also played a valuable philanthropic role supporting communities and mining-related education in the universities.

Another foundation, since disappeared, was the **Peter Stuyvesant Foundation**. While not Queensland-based, the cigarette company's charitable arm supported the arts in Queensland from 1964 to 1979. It assisted touring art exhibitions, orchestras, dance ensembles and instrumentalists, and was a principal sponsor of university art festivals.

Business support for charitable causes is best represented at the micro-level where small businesses provide small but frequent financial support to a myriad of local causes.



Sir Zelman Cowan



## A FUNDRAISING MOVEMENT

**Professional fundraising** was re-invigorated in the early 1960s, initially with church appointments to run parish programs, following the arrival of the **Wells Organisations** from the USA in the late 1950s, and then with the appointment of institutional fundraisers beginning with St Andrew's Hospital's appointment of **Mr Everald Compton**. The outcome of the increasing professionalism of fundraising was that many more donations, some for larger amounts, were made to Queensland organisations. To illustrate the development of scope, while the 1927-28 Queensland Cancer Fund was a great success, raising £51,629, the 1962 campaign chased down a target of £500,000.



Mr Everald Compton

### The Role of Trust Companies

Trustee companies have played an important role in managing the philanthropic interests of individuals and estates. Robert Hayles (whose father built the first hotel on Magnetic Island and developed ferry services in Townsville, Cairns, Brisbane and Darwin) died in 1978 and established permanent funds for the benefit of charitable organisations in North Queensland. Robert and Alison Hayles left two charitable funds managed by Perpetual Trustees and Trust Company of Australia.

**Perpetual Trustees** manage several other substantial Queensland benefactions including the Love and Gluyas Trusts. James Simpson Love was born in Scotland in 1863. He came to Australia during 1879 to join his parents who had taken up residence in Townsville. With Townsville as his base, Love built up considerable pastoral and business operations. His best known properties were Valley of Lagoons, near Ingham, Dunbar, in the Gulf, and Gainsford, near Charters Towers. He died in Townsville in 1933 leaving a significant estate for charitable purposes.

Samuel and Eileen Gluyas built up a cattle empire north of Hughenden. Eileen died in 1975 and Samuel in 1980, leaving the residue of their estates to their Trustees (Perpetual Trustees and Mr AG Field). To date the Samuel and Eileen Gluyas Trust has distributed more than \$6million to charitable purposes in Queensland.

**ANZ Trustees and Trust Company of Australia** also manage benefactions that benefit Queensland. Queenslanders are well aware of the significant Sylvia and Charles Viertel Charitable Foundation managed by ANZ Trustees and of which ANZ Trustees is a co-trustee. The recent **JO & JR Wicking Trust**, also managed by ANZ Trustees and of which it is sole trustee, is an important foundation with capacity to benefit Queensland since its grant making is conducted on a national basis.

The various trustee companies manage a range of funds to be distributed: at the Trustee's discretion or to provide for general charitable purposes within a particular region (e.g. North Queensland or Darling Downs); for particular organisations (such as the Queensland Bush Children's Health Scheme, the Queensland Cancer Fund, the Queensland Deaf Society, RSPCA Queensland); to provide support for a particular kind of organisation (e.g. ambulance services, rural fire brigades, hospitals, religious organisations, or

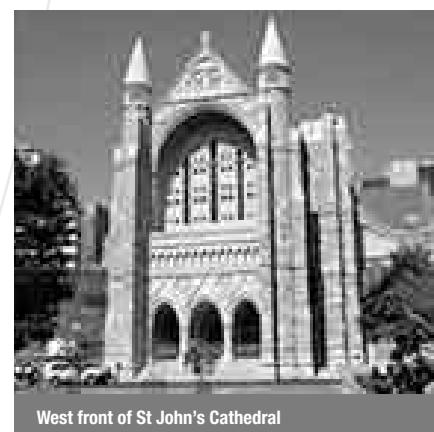
aged care facilities); or to provide a particular benefit (such as medical scholarships).

### Religious Philanthropy

Most religious traditions encourage their members to be generous in their philanthropy for the benefit of the community and for the support of the religious institution. The major Christian churches in Queensland - Catholic, Anglican, Presbyterian and Methodist (later Uniting Church) - promoted systematic weekly giving for institutional support and made regular appeals to members to support their social and missionary purposes. That churches are among the most substantial buildings in hundreds of Queensland towns is testimony to the generosity of the church members.

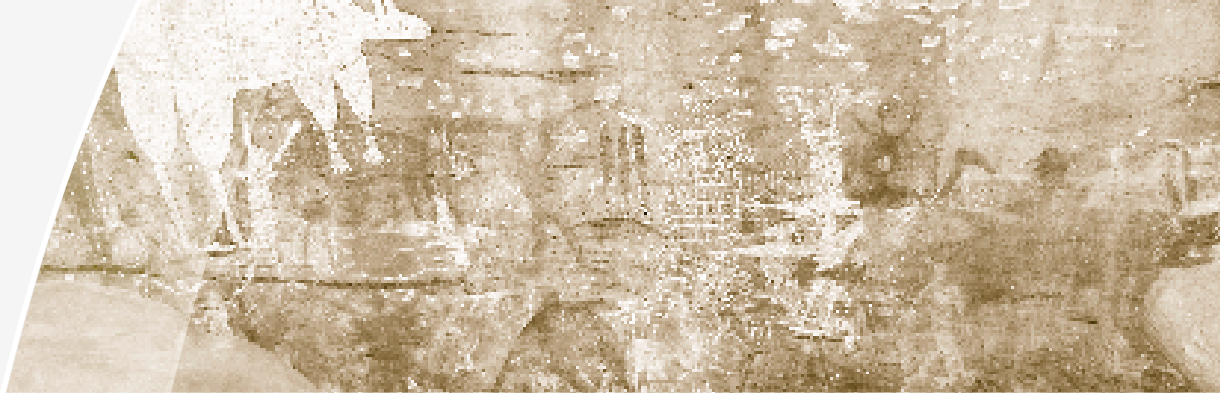
Denominational organisations and Catholic orders were also instrumental in establishing major social and health organisations (**Wesley Central Mission, St Andrew's Hospital, Holy Spirit Hospital, Mater Health Services, St Luke's Nursing Service, Blue Care, university colleges** and many more) which raised substantial funds from throughout the State.

Catholics had the additional challenge of funding **parish schools** and the parish school option that exists across the State is further evidence of the philanthropic power of religious people.



West front of St John's Cathedral





**St John's Anglican Cathedral** in Ann Street Brisbane has been building and fundraising for a good part of the last one hundred years. It receives support from within and beyond the Christian community of Queensland, and plays an important role in the civic and cultural life of the State. Its current stage of building and fundraising seeks \$38.5million to complete the West End and is the State's longest running fundraising campaign.

In more recent years **Queensland's Buddhists** have demonstrated their philanthropy in the establishment of substantial temple campuses and support for broader community activities.

### **The Government as Philanthropist**

The earliest **Golden Casket**<sup>1</sup> (Queensland lottery) operations benefited returning servicemen. When the Queensland Government took over the Casket in 1920, it dedicated profits for special purposes by reserving them in The Motherhood, Child Welfare and Hospital Fund. The fund built maternity hospitals throughout the State, and supported causes such as: bush nurses; baby clinics; Sister Kenny's polio clinics; and public hospitals. Over time the list of causes expanded to include: response to coal mine disasters; ambulances; surf lifesaving; state dental clinics; and the University of Queensland School of Medicine. Other supported organisations were: the Queensland Christian Women's Association; the Salvation Girls' Home in Toowong; Boys Town at Beaudesert; the Red Cross Blood Bank; and various patriotic causes during World War II.

In 1975 The Motherhood, Child Welfare and Hospital Fund was abolished and profits went to a Cultural Capital Development Fund which financed the Cultural Centre at Brisbane's South Bank. Funds also contributed to some regional cultural centres, such as those in Rockhampton, Townsville and Ayr, provided support for major cultural organisations, such as the Queensland

Ballet Company and the Queensland Theatre Company, and supported the construction of lights at the Gabba Sporting Complex.

In 1989 profits were diverted to consolidated revenue, but a 1992 decision saw a limited redirection of profits to children's hospitals and health programs. In 2005, Golden Casket launched a Medical Research Foundation funded by the interest on unclaimed prizes.

Other government programs to which community groups can apply are the **Jupiters Casino Community Benefit Fund** which distributes an amount equivalent to 1% of Casino gross revenue from Jupiters Casino, Gold Coast and Conrad Treasury Casino, Brisbane; the **Breakwater Island Casino Community Benefit Fund** which distributes the same proportion of revenue from the Townsville Casino; and the **Gambling Community Benefit Fund** distributing money from taxes on lotteries, keno and gaming machines.

The Government has a raft of arts and social service programs to which community groups might apply, and also maintains contingency funds that are sometimes used to assist community organisations in financial need.

### **Great Queensland Philanthropists**

**James and Emelia Mayne** were children of wealthy Irish immigrant businessman, and alderman in Brisbane's first City Council, Patrick Mayne. In 1890 James Mayne returned from medical studies in London. His philanthropy was first seen in the donation of his salary back to the hospital (later the Royal Brisbane) for hospital improvements. In addition, he personally paid for the hospital's first X-ray machine.

In 1923 Dr James O'Neill Mayne and his sister, Mary Emelia Mayne gave the University of Queensland nearly 320 hectares of land at the junction of Moggill Creek and the Brisbane

River "for agricultural purposes". In 1926 they gave sufficient additional funds to purchase and consolidate 114ha of riverside land at St Lucia as a future site for the University. When Dr and Miss Mayne died (in 1939 and 1940 respectively) their wills brought the entire remaining Mayne family wealth to benefit the University of Queensland.



Dr James O'Neill Mayne

<sup>1</sup> Wendy Selby, *The Golden Gamble* 1995.



In the first half of the twentieth century, Brisbane also enjoyed the beneficence of the largest soft drink manufacturer in Australia, **George Marchant**. His contributions included land in Ann St for New Jerusalem Church and land at Aspley (Marchant Park) which he gave to Kedron Shire Council. Later, he donated large homes for the benefit of crippled children and to the Returned Services League for the benefit of war veterans. On his death in 1941 he bequeathed a substantial donation and the remainder of his estate to the Queensland Society for Crippled Children.

**Sir Leon and Lady Trout** were very important patrons to the Queensland Art Gallery (QAG). They donated many important works, and at one time the QAG stood to receive the entire Trout collection by bequest. Lady Trout survived Sir Leon and her final will disbursed the collection. Nevertheless, the works donated by the Trouts or acquired from the estate of Lady Trout, are of great importance and include renowned Australian artists such as John Peter Russell, William Dobel, William Dargie, Norman Lindsay, Rupert Bunny, Albert Namatjira and Sidney Nolan.

**Mr AHW Cunningham** of Strathmore Station, North Queensland, deserves mention here as one of the great philanthropists of Queensland because of his innovation in philanthropy. From 1917, Mr Cunningham and a committee selected "Scartwater" from Crown Land and established a cattle station to provide reliable income to meet the requirements of a Trust established to assist ex-servicemen through grants and interest free loans. In 1961 Bowen Home (in Bowen) was established to care for ageing returned service men and women. As the need for direct aid to ex-servicemen declined, the Trust wound down its loans and grants scheme and established a scholarship program to provide educational assistance to children and grandchildren of returned service personnel. In 1979 Scartwater was sold for \$1.4million and the proceeds continue to support the scholarships and Bowen Home.

One of the most enduring gifts to a Queensland organisation has been the funding provided by **Major Harold de Vahl Rubin** to purchase artworks at Sotheby's auction in London in 1959 for the sum of £95,000 (pounds sterling). The works included three Picassos, a Renoir portrait, a Toulouse Lautrec painting, a Maurice de Vlaminck still life and Degas' Three Dancers. Today, the Queensland Art Gallery's *La Belle Hollandaise* (Picasso) is perhaps the most valuable painting in an Australian public collection.



*La Belle Hollandaise* (Picasso)

When **Clive Berghofer** pledged \$5million to cancer research at Queensland Institute of Medical Research in 2002 the donation took many Brisbane people by surprise, but Toowoomba residents were more familiar with his name and his generosity, recognised in the Clive Berghofer Stadium and Clive Berghofer Recreation Centre. Toowoomba is also home to the **Venerable Master Chin King** of the Pure Land Learning Colleges whose philanthropic support has been appreciated by the Toowoomba Hospital, Toowoomba Hospice and several of the State's universities. Master Chin's Buddhist teachings are reflected in his gifts which support peace promotion and interfaith dialogue.

Other philanthropic Queenslanders who have lit a path for others to follow have included **William Robert Black** who donated a home in Laurel Avenue, Chelmer to the Presbyterian Church in 1928. The home served many handicapped children in Queensland until it was sold in 1996. A building purchased in Graceville to support people with disabilities carries the WR Black name in recognition of William Black's generosity.

The great bequests of Queensland include the 1992 legacy of Charles Viertel of \$60million to establish the **Sylvia and Charles Viertel Charitable Foundation**. The will provided that the Trustees of the Foundation may, at their absolute discretion, select and make grants to charitable organisations and for charitable purposes anywhere in Australia, to support medical research into diseases, and for the alleviation of hardship of the aged and infirm. The will expresses the wish that Trustees disregard those charities having high administrative expenses.

A more recent significant bequest was the \$3 million bequest of Cairns man **Peter Goodenough** in 2005 for Motor Neurone Disease research at the Queensland Brain Institute.



Venerable Master Chin Kung

In December 2000, the Venerable Master Chin Kung of the Amitabha Buddhist Association of Singapore presented a cheque for One Million Dollars to Griffith University for the Multi-Faith Centre. The Venerable Master is shown here presenting the cheque to the Chancellor, Ms Leneen Forde, in the presence of the Vice Chancellor, Professor L.R. Webb, and the Chair of the Multi-Faith Centre Fund-raising Task Force, Mr Uri Themal.



## The Queensland Community Foundation

Community Foundations were established in the United States of America and elsewhere during the twentieth century, beginning with the Cleveland (Ohio) Community Foundation in 1914. Since the mid 1990s they have proved a popular vehicle in Australia for gathering local resources for the support of local charitable institutions.

The first Community Foundation in Queensland was established by **ANZ Trustees** at the initiative of **Mr Bryan Grehan**. This Foundation continues as the **ANZ Queensland Community Foundation**. Arising from this initiative but separate from it is the **Queensland Community Foundation (QCF)**, which under the chairmanship of former Premier of Queensland, Hon Mike Ahern, has gone on to great success in securing bequest intentions for specific and general purposes. The Queensland Community Foundation also provides an **umbrella organisation** for regional foundations, the Sunshine Coast Community Foundation, the Cairns Community Foundation, and the Gold Coast Community Foundation. QCF has been particularly successful because of its partnership with the Public Trustee of Queensland, Queensland Investment Corporation and Anglo Coal Australia.

Queensland also has the benefit of other community foundations - the Buderim Community Foundation and the Central Queensland Community Foundation.

## FUNDS FROM INTERSTATE AND OVERSEAS

Queensland has been the beneficiary of philanthropic distributions from interstate and overseas. Most notable have been: the funds provided in 1964 by **The Rockefeller Foundation** for the University of Queensland to build the Heron Island Research Station on the Great Barrier Reef; distributions to the University of Queensland from the estate of the late **Sir Samuel McCaughey** of Sydney, which amounted to more than £190,000, between 1919 and 1940.

Great Australian Foundations have also funded Queensland organisations. In recent years **Telstra Foundation** has supported issues such as childhood obesity, early health interventions and Indigenous development, as well as providing small sums to hundreds of schools and community organisations across the State. **The Myer Foundation** has supported Queensland organisations in recent years, particularly in the fields of art (Indigenous arts, emerging art, and purchase of works at the Queensland Art Gallery), conservation, Indigenous development and support for the Centre of Philanthropy and Nonprofit Studies at Queensland University of Technology. **Ian Potter Foundation** has also included Queensland organisations in its distributions.

Three areas of activity have had little support from interstate foundations. These are: social service; the major performing arts companies (opera, ballet, orchestra and theatre); and health and medical research.

The largest philanthropic contributions to Queensland organisations have been made this decade by **The Atlantic Philanthropies**. The State is indeed fortunate that personal friendships

drew the Founding Chairman of this foundation, Mr Charles F. Feeney, to Brisbane. Grants in the millions and tens of millions of dollars have supported infrastructure and programs for health and medical research as well as other programs.

Another international foundation active in Queensland (north Queensland in particular) is the **Christensen Fund**. Allen D. Christensen, was a civil and mining engineer and served as President of the Utah Mining and Construction Company. With his wife, Carmen, they founded the Christensen Fund as a private foundation in 1957. Today this California-based foundation supports visual arts and Indigenous projects in northern Australia.



## CONTROVERSIES

Where are the legends of beneficence from ill-gotten gains, of charlatan fundraisers, or of spendthrift charity executives? In fact, there have been few controversies surrounding philanthropy in Queensland. Just three stand out.

The first quarter of the twentieth century saw a fantastic period of building of Catholic churches and institutions, most commonly on the tops of hills around Brisbane. The greatest of all, in the vision of **Archbishop James Duhig**, was to be the **Cathedral of the Holy Name** in Fortitude Valley. This massive Renaissance basilica was to have been the largest cathedral to be built anywhere since the seventeenth century. The Laying of the Foundation Stone ceremony for the cathedral in 1928 was spectacular. After a massive procession, more than 35,000 people assembled on the site, then known as Duncan's Hill, for the ceremony. Within a year the Depression hit, and the whole venture crashed. It is unclear how much money was donated by Brisbane Catholics for their Archbishop's grand vision. It is unlikely that any funds remained after the expense of building the foundations and the crypt. The site stood undeveloped for more than fifty years, witness to a vision that was grand beyond the philanthropic capacity of Brisbane's Catholic population. Catholic Brisbane is served by the beautiful **St Stephen's Cathedral** in Elizabeth Street. St Stephen's now

incorporates the two foundation stones of the Cathedral of the Holy Name.

It has long been a feature of the Australian charitable landscape that donations to political parties receive tax deductibility as "capped contributions". Because of the potential benefits to donors arising from political decisions, such contributions are always likely to be contentious, and perhaps none aroused greater passion and controversy than the **Bjelle-Peterson Foundation**, established in 1978 to raise \$2.5million to buy buildings to use as Queensland National Party offices and to lease to provide additional revenue to fund election campaigns. Donors to the Bjelle-Petersen Foundation received the normal kinds of donor recognition, such as plaques and scrolls, and, some would claim, political favours as well.

Further controversy attached to the Bjelle-Petersen period when, in 1982, a Sydney businessman claimed to have received a knighthood as a direct result of making a gift of \$100,000 to a Kingaroy nursing home.<sup>2</sup> While philanthropic action was, and is, frequently cited in **honours awards** as an important contribution by an individual to the community, this direct payment for an honour was widely seen as an abuse of the system and brought the imperial honours system in Queensland into disrepute.

## THE FUTURE

Queensland shares the general philanthropic mood of the rest of Australia. **Tax incentives** and other initiatives from the **Commonwealth Government** have sought to promote philanthropy, and supportive groups such as the membership-based **Philanthropy Australia**, and the university-based **Centre for Philanthropy and Nonprofit Studies (QUT)** provide reflection on practice.

Queensland's particular needs are those that arise from decentralisation, rapid population growth due to inter-state migration and health, education and housing needs of Indigenous populations.

There are good role models for philanthropy in Queensland: individuals such as **John B Reid AO** and **Lynne Rainbow Reid**, **Betty Byrne Henderson AM**, former tennis player **Pat Rafter**, stockbroker **Steve Wilson** and **Dr Jane Wilson**, and corporations such as **Collection House**, **Bank of Queensland** and the resources companies.

We trust that readers of this Report will be inspired by the examples herein and will consider the role they might play in helping maximise the creativity and diversity that makes up Queensland's colourful mosaic of nonprofit activities connecting volunteers, human endeavour, dedicated professionals and quality of life.

We remain a state of both human need and financial capacity. Individuals and corporations who make their philanthropy public, inspire philanthropy in others, building the bridge between need and capacity. This is philanthropy.



Cathedral in Ann Street

<sup>2</sup> ABC television, "Four Corner" as reported in Ross Fitzgerald, *From 1915 to the Early 1980s: A History of Queensland* (UQP)







## Nonprofit organisations in Queensland

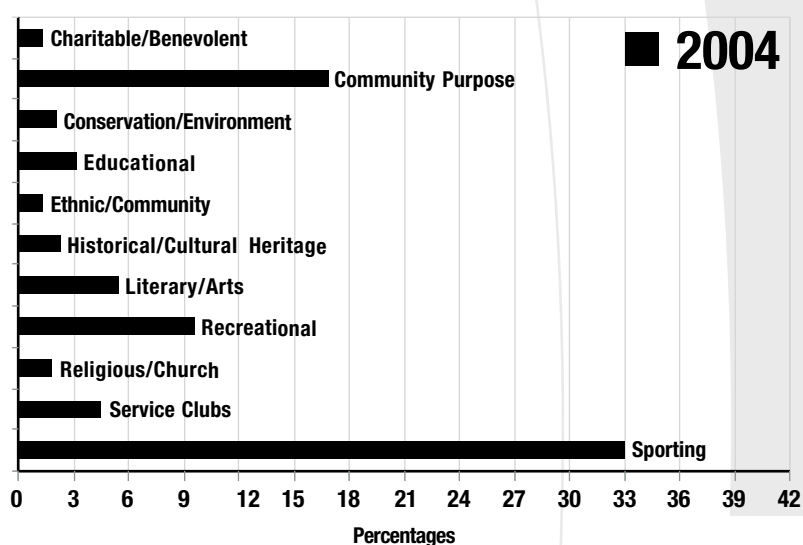
### QUEENSLAND NONPROFIT AND PHILANTHROPIC SECTOR

Queensland is characterised as being a geographically decentralised state with a rapidly growing population and economy. Unsurprisingly this environment requires significant growth in physical and social infrastructure to provide an acceptable standard of community lifestyle. Nonprofit organisations play a vital role in providing: hospitals and health care; education at all levels; welfare and community services; cultural, recreational and sporting activities; environmental organisations; clubs and pastime associations of every hue and colour. Nonprofits constitute community resources of immense value that should not be taken for granted, but that, unfortunately, are rarely measured or quantified, unlike the resources contributed by government and business. Given the social significance of the nonprofit and philanthropic sectors in Queensland, we know surprisingly little about them.

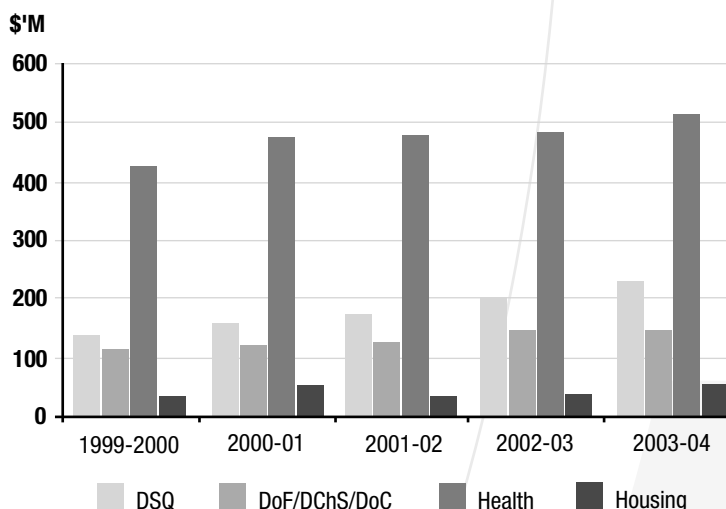
#### Number of Nonprofit Organisations

Queensland has a significant nonprofit community with more than 20,000 incorporated associations being created since the mid 1980s. Although the size of the membership bases of these organisations is not known, by law they would be required to have a minimum of 60,000 volunteer office bearers and 140,000 members. These bodies are composed of local grassroots organisations located in every city, town and suburb of Queensland from Coolangatta to the tip of Cape York.

Activities of Incorporated Associations



Qld Government Grants to Non-Government Organisations, by Agency 1999 - 2004





In addition to incorporated associations, there are 1,200 companies limited by guarantee, 100 co-operatives, 550 Letter Patent and numerous private act incorporations for churches and community bodies. Under the Collections Act which regulates public fundraising there are more than 770 registered charities and 2,700 community purpose organisations.<sup>1</sup>

### Government Funding

The Queensland Government makes a major investment in the funding of Queensland nonprofit organisations with the 2005 budget indicating that 14.2% of its current transfers and 12.3% of its capital transfers are to nonprofit organisations. The areas of disability, health, child and family services and housing rely heavily on the services provided by nonprofit organisations. The Commonwealth Government also funds Queensland nonprofit organisations in relation to such matters as education, training, health and community services.

## VOLUNTEERING AND GIVING

Statistics about Queensland philanthropy, giving and volunteering are equally thin. The limited data suggests that Queensland lags behind New South Wales and Victoria rates of volunteering, tax deductible gifts and philanthropic foundations.

The Australian Bureau of Statistics<sup>2</sup> in 2000 found that 783,200 (31.2%) Queenslanders volunteered a total of 116.2 million hours through community service organisations. Adult Queenslanders volunteered for about 1.2 hours a week. These rates in comparison to New South Wales and Victoria are generally lower. Non-metropolitan Queenslanders had a slightly higher rate of volunteers (32.1%) and greater annual hours of volunteering (62.5 m) than metropolitan Queenslanders. Queensland is well served by Volunteering Queensland which facilitates volunteering in all regions of the State.

It is possible to obtain annual statistics on tax-deductible donations made by Australians in their individual income tax returns to Deductible Gift Recipients (DGRs). The total amount donated and claimed as tax-deductible donations in 2002-03 by all individual Australian taxpayers was \$959.40 million. Queensland taxpayers claimed a total of \$126 million in donations, being an average of \$191.06 (Australian average \$257.64). This represented 13% of the national total. These figures do not capture the contributions made by individuals by way of support through raffle tickets, charity sponsorships and ticket purchases or made by corporations, which are unknown.

The size and dimensions of philanthropic foundation funding in Queensland are also unknown. Lyons estimated that in 1997 there were 158 philanthropic intermediaries employing staff in Australia with a total expenditure of about \$82.1m.<sup>3</sup> Philanthropic trusts and foundations are under no legal obligation to publicly disclose

their affairs and many individual philanthropists closely guard their privacy. An unknown number of grants come from overseas and interstate foundations to Queensland organisations. Often foundations are required by their constitutions to fund only organisations or activities within the bounds of the state or residence of the foundation and this is particularly common in Victoria which has a large number of Australia's active philanthropic trusts and foundations.

<sup>1</sup> Religious organisations and their affiliates are largely exempted from registration under this legislation.

<sup>2</sup> ABS, Voluntary Work, Cat No. 4441.0, 2000.

<sup>3</sup> M Lyons & S Hocking, Dimensions of Australia's Third Sector, CACOM, UTS, 2000, p73.





## GRANT MAKING LANDSCAPE FOR QUEENSLAND COMMUNITY FOUNDATION

### Organisations to which QCF can grant

The Queensland Community Foundation can make grants only to a limited range of organisations due to taxation regulations. This is because the QCF is classed as an “ancillary fund” for the purposes of taxation law. Nearly all community foundations in Australia are ancillary funds. An ancillary fund is established and maintained solely for the purpose of providing money, property or benefits to nonprofit organisations classed under the taxation laws as Deductible Gift Recipients (DGRs) or the establishment of such organisations. Grants cannot be given to individuals.

### Example

QCF could make a grant for a scholarship fund to a public university (a DGR class), but not to a school (schools are generally not DGRs) nor a scholarship to an individual student (because an individual cannot be a DGR).

While there are more than 700,000 Australian nonprofit organisations, fewer than 22,000 are endorsed by the Australian Taxation Office (ATO) as DGRs.<sup>4</sup> A common misunderstanding is to think that all charities are DGRs. While there are more than 47,000 ATO endorsed charities, fewer than half of these organisations can be endorsed as DGRs.

The QCF is also prohibited by taxation law from granting to organisations that are prescribed private funds (PPF) or other ancillary funds. The policy reason for this prohibition is that if funds could make grants to each other, their funds could circulate indefinitely without ever being applied to actual good in the community.

These restrictions are quite different to policies in other developed economies such as the USA, Canada and the UK which encourage grants to charities in general and not to just a select group of such organisations.

Another common misunderstanding is that grants from an ancillary fund such as QCF can be given to a non-DGR provided that QCF gives the grant to a DGR which then passes on the grant to a non-DGR organisation under some sort of auspice, agreement or understanding. Schemes such as this are neither permitted under the tax laws nor probably under the trust deed establishing the community foundation.

Unlike many foundations in Victoria which are restricted to granting only to DGRs located in that State, QCF can grant to DGRs anywhere in Australia. It is important to understand the nature of DGRs in Australia and particularly Queensland, as they will be the only organisations to receive grants from the QCF.

<sup>4</sup> As at July 2005.



## Description of Deductible Gift Recipients (DGRs)

“Deductible Gift Recipient” (DGR) is a term used in taxation law. The main purpose of the definition is to identify organisations, funds or authorities, a gift to which may be tax deductible by the donor. As noted above they should not be confused with charities which may be exempt from paying income tax, but are not, without further qualification, able to be a DGR. The following table lists the general categories of DGR:

Each of these categories has a technical taxation definition and the number of organisations which qualify for DGR status may not be so many as one might initially expect. However, the status of any organisation can be easily ascertained. All DGRs are listed on a public register which is available through the Internet at <http://www.business.gov.au>. The register is searchable by name and Australian Business Number. The ABN registration of organisations indicates whether it is a Deductible Gift Recipient and the commencement (and end if applicable) date of the status. Again this endorsement should not be confused with charitable status which is also shown on the ABN register.

### Health

Public hospital  
Nonprofit hospital  
Public fund for public and non-public hospitals  
Public authority for research  
Public institution for research  
Health promotion charity  
Public ambulance service  
Public fund for public ambulance service

### Education

Public university  
Public fund for the establishment of a public university  
Higher education institution  
Residential educational institution  
Commonwealth residential educational institution  
Affiliated residential educational institution  
TAFE  
Public fund for religious instruction in government schools  
Roman Catholic public fund for religious instruction in government schools  
School building fund  
Public fund for rural school hostel building  
Life education company  
Government Special School  
**Research**  
Approved research institute  
The Commonwealth

### Welfare and Rights

Public benevolent institution  
Public fund for benevolent institutions  
Public fund for persons in necessitous circumstances  
Public fund on the register of harm prevention charities

### Defence

The Commonwealth or a State  
Public institution or public fund for members of the armed forces

### Environment

Public fund on the Register of Environmental Organisations

### Family

Public fund for approved marriage guidance organisation

### International Affairs

Overseas aid fund

### Sport and Recreation

Guides branch  
Scout branch

### Cultural Organisations

Public fund on the Register of Cultural Organisations  
Public library  
Public museum  
Public art gallery  
Institution consisting of a public library, public museum and a public art gallery or of any two of them

### Ancillary fund

(is a DGR, but cannot grant to another ancillary fund)



## DGRs in Australia and Queensland

As QCF is restricted to providing grants to DGRs, it is instructive to understand the nature of this class of organisation in Queensland and Australia. Unlike other developed taxation systems, Australia does not require its nonprofit organisations to file a taxation return with basic information about its annual activities. As a consequence we know very little about such organisations in comparison to other countries.

However, in 1999 taxation law required DGRs to be endorsed by the ATO and the endorsement form required disclosure of some basic information about the organisation. In November 2002, the Centre of Philanthropy and Nonprofit Studies (CPNS) at the Queensland University of Technology was given access to the aggregated endorsement data for research purposes. This allowed a snapshot of Australian and Queensland DGRs and gave the first comprehensive data on the characteristics of DGRs.<sup>5</sup>

### Australian DGRs

- There were 19,162 Australian DGRs endorsed as at November 2002. “Welfare and rights” (55%), “education” (20%) and “cultural organisations” (13%) are the largest categories of DGRs.
- In terms of numbers of DGRs per head of population, there is an even distribution of head offices across Australia with slightly more DGRs in Western Australia and slightly fewer DGRs in Victoria.
- Victoria had 33% of the total DGR receipts, but only 22% of the DGRs had their main address in Victoria. Conversely, Queensland had only 11% of the DGR receipts but 19% of the DGRs had an address in Queensland.

- The total reported receipts of DGRs were approximately \$36 billion (as of November 2002).
- There are large numbers of DGRs with very small receipts and a few with very large receipts. Half of the DGR population has less than \$60,133 in receipts (for Queensland the level is \$60,872).

### Types of DGRs

More than half the DGRs in Australia and Queensland<sup>6</sup> are from the welfare and rights taxation category. This category largely consists of organisations known as Public Benevolent Institutions (PBIs). A PBI is a nonprofit institution whose dominant purpose is the direct relief of poverty, sickness, destitution, suffering or misfortune and for the benefit of the community, or a section of it. Examples of prominent PBIs are Boys Town, Australian Red Cross Society and Blue Care.

The education category is the next largest group (Australia 20%/ Queensland 23%). This category is mainly composed of Public Universities and other tertiary education facilities as well as school building funds. While grants can be given by QCF to public universities for their purposes, school building funds are quite restricted. A school building fund can only fund the acquisition, construction or maintenance of a school building and not other school related expenses such as scholarships<sup>7</sup>, staff wages or other general expenditure. Cultural organisations (Australia 13%/Queensland 12.8%) were the next largest grouping of DGRs. Cultural organisations include public museums, libraries, art galleries and other organisations listed on the register of cultural organisations such as music, visual arts, performance, cultural heritage, design, film and Indigenous nonprofit organisations.

Queensland has a slightly higher percentage of environmental organisations than the Australian total, but lower percentages in the categories of ancillary funds, research, overseas aid and defence.

Table 1 shows number of DGRs involved in each major category listed in the taxation legislation.

(See TABLE 1)

<sup>5</sup> The database contains all endorsements, and those classed as ‘disallowed’, ‘pending’ or ‘revoked’ as at November 2002. 24,561 organisations applied for DGR endorsement. For the purposes of this chapter, those entities classed as ‘disallowed’, ‘pending’ or ‘revoked’ were eliminated. There were 19,162 endorsed DGRs.

<sup>6</sup> The location of each DGR was determined by its postcode. This indicated the location of the main office of DGR, not necessarily where it conducts its activities. It is probable that some DGRs operate across state borders.

<sup>7</sup> The Federal Treasurer has indicated the intention to introduce legislation to make gifts to public scholarship funds tax deductible in the future (but not individuals).



**Table 1. DGR Types**

General Category	Total Australian DGRs	Percent of total Australian DGRs	Total Queensland DGRs	Percent of total Queensland DGRs
Welfare and rights	10,586	55.2	2087	58.5
Education	3,755	19.6	821	23.0
Cultural organisations	2,549	13.3	457	12.8
Specific listed organisation	1,065	5.6	78	2.2
Health	848	4.4	31	1.0
Environment	257	1.3	55	1.5
Research	144	0.8	19	0.5
Ancillary funds	139	0.7	8	0.1
International affairs	100	0.5	4	0.1
Defence	33	0.2	5	0.1
Sport and recreation	17	0.1	2	0.1
Family	15	0.1	2	0.1

### Implications for QCF

A limitation for QCF grants is that some community activities are not represented by the DGR classifications. Sport and recreational activities are generally not able to be regarded as a DGR even though the community benefits of physical activity for all ages is a pressing issue, with obesity in children and frailty in our ageing population. Advocacy organisations, preventive organisations, purely religious and community peak bodies are also not easily fitted into the tax classifications.

Fewer than half of those organisations regarded as charitable are able to fall within the definition of a DGR. This is made all the more significant due to most sport, recreation, clubs, societies and advocacy organisations falling outside even the definition of charity. There are many nonprofit organisations which make a contribution to the community that cannot be funded by QCF.

Nevertheless, QCF has a representative range of DGR types located in Queensland that are eligible to receive its grants. The one group that appears to be under represented in Queensland is made

up of health related charities, being hospitals, research institutions and ancillary health care organisations.

### Location of DGRs

As QCF is constrained to make its grants only to DGRs, it is important to establish that there are such organisations in all regions of Queensland. We note also that QCF donors represent the whole of the Queensland community from Tweed Heads to Cape York. There is strong support from donors outside the south-east corner and QCF often receives donor requests<sup>8</sup> for the donation to benefit the donor's local community. This will be made difficult if there is no DGR operating in the locality.

The location of each DGR was determined by its postcode. This indicated the location of the main office of the DGR, not necessarily where it conducts its activities. Some larger DGRs operate across state borders, and some DGRs with an urban main address conduct activities in rural areas. However the data does give an indication of the geographic distribution of DGRs.<sup>9</sup>

It might be anticipated that the ratio of DGRs to the number of people will be the same nationwide.

So, the percent of DGRs in each state should reflect the percent of each state's residence. Overall, this is the case: for example, Queensland has 18.69% of the nation's population and 18.7% of the DGRs. Western Australia has slightly more DGRs than expected, with 13% of the DGRs and 9.8% of the population. Conversely, Victoria at 22% has slightly fewer DGRs than expected by their 24.7% share of the population.

<sup>8</sup> Such requests are always subject to the trustee's discretion and final determination.

<sup>9</sup> The categories of urban and rural are taken from the "Postal Area to Remoteness Area 2001 Concordance" (ABS Catalogue No.9921.0). This measure is used by the Australian Bureau of Statistics in their collection of data. To place DGRs in these 'remoteness areas' the postcodes belonging to their main addresses were employed. The 'remoteness areas' of Australia were defined as 'major cities', 'inner regional', 'outer regional', 'remote', 'very remote' and 'migratory'. The areas 'major cities' and 'inner regional' were combined to form the category of 'urban', and the others formed 'rural'. 86.52% of the Australian population resides in 'major cities' or 'inner regional' areas of Australia ('urban' areas for the purposes of this paper).



The postcodes were further broken into urban and rural locations. In total, 68.7% of the nation's DGRs have their main address in urban areas, where 86.57% of the population resides. Thus there are fewer DGRs in urban areas than expected by the urban population. Conversely, rural Australia claims 31.3% of the nations DGRs, and only 13.43% of the population. In Queensland, nearly 15% of the population is classed as urban dwelling with about 12% of the DGR organisations. The Queensland rural population is 4.27% of the nation's population but has 6.8% of the DGRs.

(See TABLE 2 and 3)

**Table 2. Location of DGRs and State Population**

	Total DGRs	Percent of total DGRs	Percent of Population
NSW & ACT	6,632	34.6	35.51
VIC	4,148	21.6	24.75
<b>QLD</b>	<b>3,574</b>	<b>18.7</b>	<b>18.69</b>
SA	2,447	12.8	7.79
WA	1,555	8.1	9.79
TAS	527	2.8	2.43
NT <sup>10</sup>	279	1.5	1.02
<b>Total</b>	<b>19,162</b>	<b>100</b>	<b>99.99</b>

**Table 3. Location of DGRs and State Population (Urban and Rural)**

	URBAN			RURAL		
	Number of urban DGRs	Percent of total DGRs	Percent of total population	Number of rural DGRs	Percent of total DGRs	Percent of total population
NSW & ACT	5,047	26.3	32.49	1,585	8.3	2.79
VIC	3,547	18.5	23.22	601	3.1	1.36
<b>QLD</b>	<b>2,269</b>	<b>11.8</b>	<b>14.84</b>	<b>1,305</b>	<b>6.8</b>	<b>4.27</b>
SA	885	4.6	6.52	1,562	8.2	1.25
WA	1,046	5.5	7.96	509	2.7	1.80
TAS	369	1.9	1.54	158	0.8	0.88
NT <sup>11</sup>	-	-	-	279	1.5	1.08
<b>Total</b>	<b>13,163</b>	<b>68.7</b>	<b>86.57</b>	<b>5,999</b>	<b>31.3</b>	<b>13.43</b>

#### Implications for QCF

The decentralised nature of Queensland is reflected in the number of DGRs which have their main offices in non-urban areas and this presents the opportunity for QCF to make grants into the vast non-urban areas of Queensland. Many DGRs have their offices in urban areas but conduct activities in all parts of Australia. However, in building local capacity, QCF may favour local organisations over state capital or national organisations.

<sup>10</sup> All of the Northern Territory is classed as rural.

<sup>11</sup> All of the Northern Territory is classed as rural.



## Gross Receipts of DGRs

Knowing the pattern of gross receipts of DGRs can assist in assessing the size of DGRs and particularly the size of various categories of DGRs. The gross receipts give an indication of the extent of the activities of such organisations, although volunteer activity would not be included.

The endorsement form requested information on the total receipts of DGRs.<sup>12</sup> In all, 15,816 DGRs had combined receipts of more than \$36 billion, a significant part of the Australian economy (See TABLE 4 ).

The total receipts of individual organisations were spread out, with some very small and some very large. Clearly the receipts of public universities and hospitals account for a large share of the receipts reported. An average of total receipts can be misleading, so the data is best analysed by percentiles.

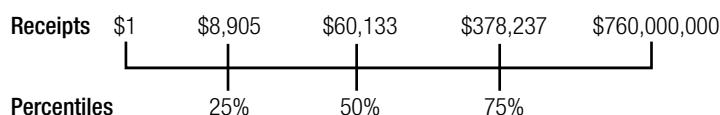
The percentiles (Figure 1) are set at 25, 50 and 75 percent. The 50th percentile, also known as the median, tells us that 50% of the DGRs had yearly receipts of between \$1 and \$60,133. The 25th percentile shows that 25% of the total receipt scores were less than \$8,905. The majority (75%) of total receipts received were less than \$378,237. However, as the maximum score of \$760,000,000 indicates (see Table 3), the receipts for the top 25% of organisations covered an extended range.<sup>13</sup> Figure 1 below shows the percentiles and the total receipts score for the corresponding percent of DGRs.

(See Figure1 above right)

**Table 4. Receipts: Minimum, Maximum and Sum**

Number of DGRs who responded	15,816
Minimum total receipt	\$1
Maximum total receipt	\$760,000,000
Sum of the total receipts for the 15,816 DGRs	\$36,441,546,056

**Figure 1. Total Australian Receipts (Percentiles)**



The percent of DGRs whose total receipts was less than the corresponding amount

## Implications for QCF

A number of tentative conclusions can be made from this data. There is a large number of very small organisations in terms of gross receipts. Although there may be significant volunteer activity in some organisations with small receipts, these organisations would appear to be economically fragile with few financial resources. At least a quarter and perhaps more of the DGRs do not employ any staff, but rely on volunteers. If QCF seeks to engage these organisations, it needs to be aware of their organisational capacity to respond to its requirements of grant application and acquittal. There may be a significant opportunity to build the capacity of these organisations.

At the other end of the spectrum there are some very large organisations such as public universities and hospitals that would have significant resources in terms of assets and staff.

## Spread of DGR Receipts Across the States

It is important to know what receipts Queensland DGRs receive as this information indicates the level of DGR activities and enables a comparison to other states. It gives QCF some indications of the financial strength and capabilities of Queensland DGRs.

<sup>12</sup> DGRs listed their total receipts from their most recent year of accounts. For 62% of DGRs this was the tax year 1998-1999 and for 32% the tax year 1999-2000.

<sup>13</sup> A Public Benevolent Institution that listed its total yearly receipts as \$902,662,000 was assumed to be an error and was excluded from this analysis of total receipts.





As noted above, DGRs are spread across Australia fairly evenly in relation to population. A further question concerns the DGR receipts generated by each state and whether they follow the number of entities located in each state. If there are differences between the financial wealth of entities in each state, the percent of receipts should reflect differently across the states.<sup>14</sup>

The number of DGRs with their main office address in each state, as well as the percent of persons in each state, (see Table 2). Below in Table 5, the proportion of the total national receipts generated by DGRs for each state is displayed. To obtain the percent of total national receipts held by each state, the total sum of DGR receipts per state was divided by the total sum of national DGR receipts.

The largest sum of DGR receipts is located in New South Wales and the Australian Capital Territory (which were combined in the database).

Proportionally, they have the largest share of the national DGR receipts (as seen in Table 4). As expected, for the most part, the percent of total national receipts in each state follows the proportion of DGRs present and the population in each state (Table 2). However, Victoria has more receipts than expected, with 33% of the total national receipts to only 22% of the DGRs. Conversely, the percent of total national receipts belonging to Queensland is only 11%, whereas 19% of DGRs are located in Queensland.

For most states, the percentiles follow approximately the same pattern, with the exception of the Northern Territory. A quarter of the Northern Territory DGRs have receipts under \$50,000, whereas for the other states, and the nation as a whole, 25% have receipts under approximately \$10,000. This illustrates the fragile financial basis of many DGRs and their supposed reliance on volunteer administration and effort.

(See TABLE 5 below)

### Implications for QCF

Queensland has a significant number of DGRs with a relatively small amount of annual receipts compared to other states. This underlines the observation above that there is a significant number of small organisations with limited internal resources to meet application and acquittal requirements. It may present QCF with the challenge of building the financial capacity of such organisations.

**Table 5. Receipts by State**

	NT	NSW & ACT	VIC	QLD	SA	WA	TAS
<b>Number of respondents</b>	256	5,553	3,539	<b>2,780</b>	1,311	1,915	462
<b>Minimum</b>	\$100	\$1	\$1	<b>\$1</b>	\$3	\$3	\$45
<b>Maximum</b>	\$5,474,851	\$760,000,000	\$618,342,000	<b>\$548,888,000</b>	\$335,552,000	\$299,526,000	\$165,683,000
<b>Percent of national receipts</b>	1.2%	37.1%	33.1%	<b>10.9%</b>	7.9%	7.6%	2.3%
<b>Percentile</b>							
<b>25th</b>	\$47,699	\$9,115	\$9,317	<b>\$8,238</b>	\$15,364	\$4,984	\$13,278
<b>50th</b>	\$359,667	\$51,706	\$65,985	<b>\$60,872</b>	\$77,000	\$37,000	\$97,365
<b>75th</b>	\$1,637,050	\$317,840	\$570,224	<b>\$313,474</b>	\$479,691	\$296,975	\$584,723

<sup>14</sup> Data is not available on where the activities of such DGRs are carried out; the database lists only where their main address is located. Some organisations may have their administration located in one state, but operate nationally.





### Distribution of Receipts among DGR Types

It is instructive to know how the receipts are distributed across the DGR types and particularly how Queensland DGRs compare with the rest of Australia and other states. This may indicate areas of weakness in capacity in certain types of DGR activities.

Table 6 shows the percent of total receipts that belong to each “general category” of DGR activity. For example, it can be seen that 28% of the overall DGR receipts belonged to “health” DGRs, even though they are only 4% of the DGRs.<sup>15</sup> Health DGRs include hospitals and medical research establishments. The education category contains public universities which account for a large proportion of that category.

(See TABLE 6)

Table 7 replicates the above table, but only in relation to Queensland DGRs. Again universities and hospitals and medical research institutes account for the larger percentages in education and health areas. Public Benevolent Institutions make up the bulk of welfare and rights DGRs. The research category is different to other Australian patterns and may be due to Queensland having special legislation which allows hospital research foundations to incorporate. This perhaps is a likely explanation for the low health receipts of Queensland DGRs in relation to the rest of Queensland.

(See TABLE 7)

<sup>15</sup> As previously mentioned, some DGRs have activities in multiple categories, and their total receipts will be present more than once in the table below. Thus totals are not provided as they would be meaningless.

<sup>16</sup> These totals may differ from previous tables because not all DGRs answered this question on the endorsement form.

**Table 6. Australian Receipts by General Category**

General Category	Number of DGRs who provided total receipts <sup>16</sup>	Percent of DGRs with activities in each category	Percent of total receipts
Welfare and rights	9,278	55.2	47.2
Education	2,944	19.6	25.8
Cultural organisations	1,916	13.3	5.4
Specific listed organisation	757	5.6	1.3
Health	631	4.4	28.2
Environment	210	1.3	0.2
Research	129	0.8	7.1
Ancillary funds	118	0.7	0.4
International affairs	94	0.5	1.0
Defence	30	0.2	0.0
Sport and recreation	17	0.1	0.1
Family	12	0.1	0.0

**Table 7. Queensland Receipts by General Category**

General Category	Number of QLD DGRs who provided total receipts	Percent of QLD DGRs with activities in each category	Percent of total QLD receipts
Welfare and rights	1760	63.4	42.5
Education	578	20.8	25.1
Cultural organisations	277	10	1.6
Specific listed organisation	54	1.9	0.1
Health	24	1	10.75
Environment	46	1.7	0.1
Research	18	.6	21.3
Ancillary funds	7	.3	0.0
International affairs	4	.1	0.0
Defence	4	.1	0.0
Sport and recreation	2	.1	0.1
Family	2	.1	0.0



## Implications for QCF

Queensland welfare and rights organisations, the majority of which are Public Benevolent Institutions, appear to form a greater part of Queensland DGRs than the rest of Australia, but attract a substantially lower percentage of all Queensland DGR receipts. The greater number of Public Benevolent Institutions may be a factor of the size and decentralisation of Queensland compared to Victoria and New South Wales.

Cultural organisations, both across Australia and in Queensland generate a lower proportion of receipts than might be expected. For Queensland, this might be partly explained by the location of the large national arts organisations in Sydney and Melbourne. QCF may wish to take these factors into account in its grant making.

## Sources of DGRs' Receipts

It is instructive to gain an idea of the sources of the total receipts of DGRs. This gives an understanding of the revenue base of DGRs and whether they are more reliant on government funding, gifts and donations or earned income from user charges, fees and ancillary businesses. The Johns Hopkins Project which compared the revenue sources of nonprofits across the world established that the Australian nonprofit sector, as a whole, had very high reliance on related business income (user fees and charges) and relatively low reliance on government and philanthropic sources.<sup>17</sup>

On the ATO endorsement form, DGR applicants were asked questions relating to the source of their funds and expenses. They were asked to give information on the percent of their total receipts received as donations and government grants or payments. The response rate for these items was poor, but a pattern does emerge from the data.

<sup>17</sup> Results of the Study can be found at <http://www.jhu.edu/~ccss>.

## Donations by State

If the DGRs in each state received the same proportion of their receipts as donations, the percent of donations in each state should reflect the percent of national receipts in each state (see Table 4). This did occur, as the percent of donations in each state is similar to the percent of receipts in each state.

The largest sum of donations is located in New South Wales and the Australian Capital Territory. Proportionally they have the largest share of the national DGR donations, at 43% (as seen in Table 8). They have 37% of the nations receipts (Table 4). As occurred with total receipts, Victoria had a large share of donations at 37% to their 33% of receipts and 21% of DGRs. Just as Queensland had proportionally lower receipts (10.9%) they also had fewer donations (8.6%).

(See TABLE 8)

**Table 8. Donations by State**

	NT	NSW & ACT	VIC	QLD	SA	WA	TAS
<b>Number of respondents</b>	141	4,802	3,024	2,425	1,082	1,813	355
<b>Percent of national donations</b>	0.3%	42.6%	36.7%	8.6%	4.9%	5.9%	1.0%
<b>Percentage of total receipts</b>	1.2%	37.1%	33.1%	10.9%	7.9%	7.6%	2.3%

**Table 9. Government Grants by State**

	NT	NSW & ACT	VIC	QLD	SA	WA	TAS
<b>Number of respondents</b>	202	2,683	1,656	1,859	745	1,440	299
<b>Percent of national government grants</b>	1.1%	35.2%	34.2%	10.0%	10.0%	6.5%	2.9%
<b>Percentage of total receipts</b>	1.2%	37.1%	33.1%	10.9%	7.9%	7.6%	2.3%

## Government Grants by State

The DGRs in each state received the same proportion of their receipts as grants (Table 9), as the percent of grants in each state closely follows the percent of receipts in each state (Table 4), as well as the percent of DGRs (Table 2).

New South Wales and the Australia Capital Territory had the greatest percent of government grants, closely followed by Victoria. As with total receipts and donations Queensland had proportionally less government grants (10%) than expected, as 19% of DGRs have their main address in Queensland (Table 2).

(See TABLE 9)



### Implications for QCF

Queensland has proportionally less funds from donations than some other states. This indicates that other revenues such as user fees and charges form a larger part of the income sources of Queensland DGR organisations. Queensland organisations might be able to lift the share of donations with appropriate assistance and QCF might consider funding capacity building to achieve such an objective.

## SUMMARY

### Limitations on QCF

Australia is characterised by a lack of reliable and ongoing data about the nature of its philanthropic and nonprofit sector and there is even less at a state and territory level. This makes planning by funders of the sector, be they government or foundations, a more difficult task than it otherwise would be. The data gained from the ATO endorsement process of Deductible Gift Recipients, while not definitive, does give a limited appreciation of the organisations that ancillary funds (community foundations) can grant to. It allows an assessment of both the national situation of DGRs as well as the Queensland situation.

QCF is limited in that it can grant only to DGRs: within this restricted taxation definition, some organisations and activities, such as: sport and recreational activities; advocacy organisations; preventive organisations; purely religious organisations; and community peak bodies, are not included. Apart from a change of taxation policy, the list of organisations to which it can grant is not likely to change for QCF. Other philanthropic bodies which are not subject to the same restrictions may wish to bear this gap in mind when deciding on their granting strategies.

### Opportunities for QCF

QCF does have a representative range of DGR types located in Queensland that are eligible to receive its grants. The one group that appears to be under represented in Queensland is health related charities being composed of hospitals, research institutions and ancillary health care organisations.

### Non-urban Distributions

The decentralised nature of Queensland is reflected in the number of DGRs which have their main offices in non-urban areas and this presents the opportunity for QCF to make grants into the vast non-urban areas of Queensland. Many DGRs have their offices in urban areas but conduct activities in all parts of Australia. However, in building local capacity, QCF may decide to favour local organisations over state capital or national organisations.

### Lack of Internal Capacity

Queensland has proportionally less funds from donations than some other states. This indicates that other revenues such as user fees and charges form a larger part of the income sources of Queensland DGR organisations. Queensland organisations might be able to lift the share of donations with appropriate assistance from philanthropic bodies.

There is a large number of very small organisations measured by gross receipts. Although there may be significant volunteer activity in some small receipt organisations, these organisations would appear to be economically fragile with few financial resources. At least a quarter and perhaps more of the DGRs do not employ any staff, but rely on volunteers. If QCF seeks to engage these organisations, it needs to be aware of their organisational capacity to

respond to its requirements of grant application and acquittal. There may be a significant opportunity to build the capacity of these organisations.

At the other end of the spectrum there are some very large organisations such as public universities and hospitals that would have significant resources in both terms of assets and staff.

### Types of Organisations

Queensland welfare and rights organisations, the majority of which are Public Benevolent Institutions, appear to form a greater part of Queensland DGRs than the rest of Australia. PBIs attract a substantially lower percentage of all Queensland DGR receipts. The greater number of Public Benevolent Institutions may be a factor of the size and decentralisation of Queensland compared to Victoria and New South Wales. This should be borne in mind when philanthropic bodies decide on their funding strategies.

Cultural organisations, both across Australia and in Queensland, generate a lower proportion of receipts than might be expected. For Queensland, this might be partly explained by the location of the large national arts organisations in Sydney and Melbourne. Cultural organisations may well be in need of organisational strengthening.

# Future Philanthropic needs of Queensland

## SEMINAR SERIES

### Overview

Before commenting on anticipated grant making considerations, policies and procedures for Queensland Community Foundation, we knew it was first essential to gather professional, credible information on population growth and general demographics relating to Queenslanders. Relevant data on Queensland's population trends, age distributions, household trends, cultural and linguistic diversity, income distribution, involvement in community activities, use of community services and others are fundamental to an understanding of the likely demands on nonprofit services and thereby on philanthropy.

Examination of trends and demographics equips decision makers in nonprofits better to undertake medium to long term planning. Grant makers can also gain a better idea of possible demands on the services of nonprofits and of how philanthropy may be able to assist in the delivery of those services.

For example, what kinds of demands will the ageing population place on community and other services and where will these services need to be delivered? Will these services be the same as or different from current provisions or will the diversity within age groups, such as state or country of origin, result in greatly differing services?

What will be the role of nonprofits in relation to government and how will nonprofits continue to be financed? Will there continue to be a mix of government funding, user charges and philanthropy and will the mix change? What are the capital replacement costs and needs of Queensland's nonprofits and will they require new buildings and capital plant? What will be the human capital needs, such as better trained staff in front line delivery and management? Will

greater flexibility be needed to cope with changes such as the entry of profit making enterprises into traditionally community service industries?

Will the demographic shifts change Queensland's record in philanthropy and do nonprofits need to change their fundraising strategies and procedures significantly to respond to changes taking place in the State? What trends may we see in philanthropy and, specifically in relation to this Report, in the giving policies of charitable trusts and foundations as they take account of demographic changes and the changing situations of nonprofits?

Given what we anticipate philanthropic funding to be and what nonprofits project their needs to be, what is the most effective use of scarce, eagerly sought, precious philanthropic funds that benefactors entrust to the Queensland Community Foundation to help the community in the most effective manner?

As we described in the Introduction to this Report, the operations plan that we followed to provide some of the above data, and assist in decision making on grant making by Queensland Community Foundation, had three components, with the first being a series of three seminars.

### First Seminar of the Series

The preceding Section, "Nonprofit Organisations in Queensland", of this Report details the findings of the first seminar of the series. While we can see that Queensland lags behind some of the southern states in the domain of philanthropy, and specifically in the arena of charitable trusts and foundations, there are often historical and legal reasons for that. It is also worth pointing out that some larger, more recently established trusts, such as the Sylvia and Charles Viertel Charitable Foundation and the JO and JR Wicking Trust, both managed by ANZ Trustees, have grant programs in Queensland. We should also point out that giving by charitable trusts and foundations is not

the major portion of philanthropy, being surpassed by corporate giving and especially by individual giving. However, giving by charitable trusts and foundations can provide a focus for giving, leading, over time, to the creation of a critical mass of philanthropy.

While Queensland may lag behind some southern states in terms of its philanthropic income and other types of income based on population density, we have to ask if there is potential for increased income through capacity building of nonprofits, such as strengthening fundraising activities and enhancing collaboration and information sharing with other organisations. Because of Queensland's great physical distances, decentralisation of services, outlying settlements and relative abundance of rural, regional and remote communities, and hence costlier service provision, is there a need for income from all sources to be higher per head of population than it is in some southern states, not lower as it is at present? How do Queensland nonprofits maintain quality of service delivery when their income is below national levels in relation to population? Is quality compromised or are nonprofits more innovative and energetic and able to do more with less? Should such innovation and development of internal capacity be encouraged and can philanthropy play a role?

### Second Seminar of the Series

We wanted to seek answers to these questions and at the same time to have chief executive officers and fundraising managers help us with explanations. To do so, we turned to the second seminar of the series, designed to give us high quality information and to foster examination and use in strategic planning of the data by staff of nonprofits, as well as helping them clarify their own priorities for future funding and activity and which we encouraged them to express in the focus groups.

As we described in the introduction to this Report, this second seminar of the series welcomed five high profile speakers. In the first part, Assistant Under Treasurer **Ken Sedgwick** and Acting Government Statistician and Assistant Under Treasurer **Dr Gary Ward** gave assessments of Queensland's future needs by virtue of its growing economy, industry, population and other trends, supported by historical data.

Mr Sedgwick noted:

- During 1994-2005, Queensland experienced a consistently higher annual percentage change in economic growth, compared with the rest of Australia (4.6% in 2003-4, above the 4% growth recorded in the rest of Australia during the year);
- During that period, faster economic growth translated into superior labour market outcomes relative to that nationally with unemployment at 4.4% in March 2005;
- From 1987-2004, income levels in Queensland, versus the rest of Australia (GSP and GDP per capita) were consistently lower.

When we look at what that means in terms of impact on services delivered by nonprofits and the levels of philanthropy, we need to take into account risks and opportunities such as oil and commodity prices, inflation and global growth as well as internal factors such as population growth, seasonal conditions and dwelling cycles.

Mr Sedgwick noted the increasing levels of Queensland Government expenditure on human services from 2001-5 and that the general Government operating surplus is expected to be less than current levels and will be less in 2007-8 than in 2005-6 when it equates to 3 percent of recurrent expenditure.

In commenting on the role played by NGOs in Queensland, Mr Sedgwick identified that

Queensland Government grants to Non-Government Organisations were highest for those devoted to health and lowest for those devoted to housing, with expenditure on human services (health, housing, disabilities, community services, child protection) increasing from \$5 billion to \$7 billion over the past five years.

He also highlighted increasing expenditure by the Queensland Government through the NGO sector with total Queensland Government grants to Non-Government Organisations increasing from around \$700 million in 1999-2000 to around \$1,100 million in 2004-5, projected to be \$1,450 million in 2008-9.

Mr Sedgwick stated that: "the NGO sector provides a well established base for Government to provide responsive community services, and provides a well established avenue for delivery of services at the local community level. However, there are also challenges facing the NGO sector in the face of an increasing demand for the provision of health services, including the ability to attract and retain quality staff (which is a feature facing many of the human services departments) and the capacity to respond to new service areas (e.g., the changing nature of child protection delivery in Queensland)."

The next presentation in the second seminar of the series was by Dr Gary Ward, Queensland Government Statistician and Executive Director of the Office of Economic and Statistical Research (Queensland Treasury).

Dr Ward noted:

- "Queensland's population growth has consistently outpaced growth in the rest of Australia;
- Net interstate migration is the most volatile component, ranging from 17,000 persons to 40,000 persons in the last 10 years, with

NSW and Victoria being the main source of interstate movers;

- Between 2001 and 2051, one half of the increase in Australia's population is projected to occur in Queensland (2.9 million out of 5.8 million);
- In the 25 years to 2026, the populations in the age groups above 65 years are projected to increase by between 130 and 170%;
- In the 50 years to 2051, the 85 years and over age group will increase by 800%, (45,000 persons in 2001, to 121,000 persons by 2026 and to 400,000 persons by 2051);
- The older composition of the working age population will tend to put downward pressure on labour force participation;
- Slowing labour force growth has the potential to slow the growth of the economy, but much depends on the other part of the economic equation – productivity growth;
- While most scenarios point to slowing growth of living standards, it is not inconceivable that growth of living standards will continue broadly at today's pace;
- The notion that the ageing population will cause living standards to decline is not necessarily valid. For example, Queensland recorded growth in per capita real output of 2.6 per cent per annum over the 10 years to 2003-04, of which 2.1 percentage points per annum was due to productivity growth, 0.4 percentage points per annum due to a lower unemployment rate and only 0.2 percentage points per annum due to a rise in the participation rate. This points to productivity growth being relatively



more important to making future gains in aggregate real incomes.”

Attendees at the seminar were encouraged to assess how such projections affected their organisations and their delivery of services. By integrating such data into their strategic planning, and considering how their services might change, from the points of view of nature and type of services, location, method of delivery, personnel involved, volunteer involvement, timing and rationale, as well as changes in government funding and service purchasing and provisions, nonprofits are better placed to understand how philanthropy might best play a role in helping fund their organisations.

That is, we wanted to foster a climate where staff of nonprofits feel equipped to participate fully in our operations plan designed to articulate the most beneficial use of philanthropic funds, bearing in mind that philanthropy often represents a life-time of savings, sometimes earned with considerable difficulty, and given with true generosity so that the community can benefit as much as possible.

The second half of the second seminar of the series included addresses by three Parliamentary Secretaries on the challenges that will face community organisations over the coming years from the points of view of the demand for services, the contribution to building community, the change in demographics, and the roles that philanthropy may play, such as funding what government cannot.

The first speaker, **Linda Lavarch MP**, (currently Attorney General), State Member for Kurwongbah and (at the time) Parliamentary Secretary to the Minister for Energy and Minister for Aboriginal and Torres Strait Islander Policy, highlighted the “significant and persisting health differential and

social inequalities for Aboriginal and Torres Strait Islander children and young people”.

She noted that: “exposure to risk factors including deprivation, stress and neglect in the early years can have significant impacts on later childhood and adult health and educational outcomes... childhood is a critical but time-limited opportunity to shape health and well-being in adulthood”. She highlighted early intervention and prevention as keys to improved outcomes.

**Kerry Shine MP**, (currently Parliamentary Secretary to the Minister for Communities, Disability Services and Seniors and Premier’s Advisor on Western Queensland), State Member for Toowoomba North and (at the time) the Chair of Caucus and a Deputy Speaker of the Queensland Parliament, spoke on the “Strengthening NGOs Project” and preceded that with facts relating to specific areas. He highlighted the ageing population and the trend to single person households, resulting in social isolation for some elderly. He also gave information on services for the well being of children and on strategies to help young people stay in education and training. Other matters that he addressed included community safety and individual support; violence prevention; volunteering; homelessness; rural and regional communities.

In speaking on the “Strengthening NGOs Project”, he said that the aim “...is to build capacity of NGOs, thereby improving service delivery and ensuring better accountability for public money.” Options include: “developing the skills of the community services workforce and making it a more viable career option ... strategies to suit the needs of indigenous services”; and encouraging “...sharing services and developing partnerships”.

**Karen Struthers MP**, (currently Parliamentary Secretary to the Minister for Employment, Training and Industrial Relations), State Member for Algeester and (at the time) Parliamentary

Secretary to the Premier (Multicultural Affairs) and Minister of Trade made specific suggestions to the Queensland Community Foundation by first identifying some broad issues and trends impacting on the future viability of the nonprofit sector including:

- Significant growth in Non-Profit Sector over past 2 decades;
- Additional pressure and liability eg. accountability, evaluation, data collection;
- Governments providing better balance between economic and social priorities eg in multiculturalism, governments are acknowledging the economic and social benefits of diversity;
- High need remains in most vulnerable sectors – eg indigenous health, economic security and education; refugee and migrant economic security;
- Significant need to secure financial and management viability of nonprofit organisations.

She also referred to challenges outlined in the first seminar of the series, namely:

- Low level of philanthropy in Australia to non-profit sector – 6.4% compared with world average 11%.
- High reliance on fees/charges – 62.5% compared with world average 49%.
- Public sector funding lower at 31.1% compared with world average of 40% (1995). This may have increased with heightened levels of public sector funding in past decade.

Ms Struthers stressed key NGO capacity building activities, as referred to by Mr Shine, notably:

- Information Technology (website development, databases, regional intranets, training);
- Management Support and Organisational Development (training, management support units, online sharing services);
- Managing Industry Change (new service models, co-locations consortium building projects);
- Financial Management (social ventures, business planning).

Based on these analyses, Ms Struthers suggested new branding for Queensland Community Foundation, as a leader and sponsor of innovation in the nonprofit sector, and hence suggested that some of the most productive, sought-after and helpful uses of philanthropic funds will be funding: Innovation in Management and Service delivery models; Innovation in Management Support and Organisational Development for NGO's; Innovation in Information Technology; Innovation in Social Ventures.

The need for capacity building of nonprofits, so that they can deliver services better and more efficiently, and so that staff can acquire the skills needed to do their jobs better, in a climate of increasing demands by the community, seems to be a recurring theme and one that needs consideration in deciding on the use of Queensland Community Foundation General Funds.

Capacity building of nonprofits is therefore a possible use of philanthropic funds that we tested in the focus groups which we will describe later in this section.

## Summary

Information gleaned from the second seminar is summarised in the table below:

Queensland's economy	Higher economic growth than in other states but lower income levels
Government expenditure on NGOs	Increasing - \$1.1 billion in 2004-5; projected to be \$1.45 billion in 2008-9
Queensland's population	Consistently outpaces growth in other states, Qld to have half of total population increase in Australia in 2001-2051, with increased in numbers of aged persons
Aboriginal and Torres Strait Islander issues	Persisting health differentials and social inequalities
Strengthening NGOs project	<ul style="list-style-type: none"> <li>• Build NGO capacity</li> <li>• Improve service delivery</li> <li>• Better accountability for public money</li> <li>• Develop skills of community workers</li> <li>• Make community work a viable career</li> <li>• Strategies to suit Indigenous needs</li> <li>• Share services and develop partnerships</li> </ul>
Nonprofit's situation	High reliance on fees/charges, not philanthropy
NGO capacity building priorities	<ul style="list-style-type: none"> <li>• Information technology</li> <li>• Management support and organisational development</li> <li>• Managing industry change</li> <li>• Financial management</li> </ul>
Suggestions for QCF	<ul style="list-style-type: none"> <li>• Funding innovation in nonprofit capacity building</li> </ul>

## Third Seminar of the Series

The third seminar of the series included speakers from private, corporate, government and trustee organisations and was designed to give attendees an overview of granting policies of some charitable grant making bodies which distribute funds in Queensland.

Speakers were:

- **Marina Constanti**, Administrator, The Thomas Foundation,
- **Jane Haley**, Director, Artsupport Australia,
- **Sara Parrott**, National Manager, Ernst & Young Foundation,
- **Reg Trevaskis**, Regional Manager Queensland, Perpetual Trustees,
- **Dr Linda Griffith**, Consultant, ANZ Charitable Services.

Ms Constanti told how, after seven years of grant making, **The Thomas Foundation**, a family foundation, continues its pursuit of innovative projects in the fields of conservation, education and the arts. The foundation does not use an application process, preferring to seek out grantees and working with them to strengthen, invigorate and sustain their programs. The Foundation works to address the basic causes of problems and to find sustainable solutions. For example, to help break the poverty cycle for many people, it supports education. It also focuses on developing partnerships with nonprofit organisations, at bringing in new and additional sponsors to help sustain programs that it funds, at building up internal capacity and accountability within nonprofits, and at achieving long-term outcomes. Unlike some grant making bodies, The Thomas Foundation will fund administrative costs as these are seen as part of capacity building.



Jane Haley outlined the policies and practices of **Artsupport Australia**, a joint initiative of the Australia Business Arts Foundation and the Australia Council, which aims to boost cultural philanthropy in Australia by facilitating donations to arts organisations and practitioners and developing greater community engagement with the arts. Artsupport Australia assists the cultural sector, in particular small and medium arts organisations and individual artists, to build capacity to better secure and manage philanthropic funding and encourages and helps donors to find and connect with arts organisations and practitioners that motivate them to give. The theme of building partnerships and striving for capacity building through philanthropy is one that resonates well with nonprofits, as we will read later in our analyses of the survey, and that reflects comments made in the second seminar of the series.

Sara Parrott described the **Ernst & Young Australia Foundation** as a nonprofit organisation with a vision to engage in the community. It builds partnerships with welfare, cultural, youth, educational, environmental and health organisations in Australia so that Ernst & Young and its personnel can contribute time, skills, and resources for the purpose of building better communities, facilitating work/life balance and enhancing Ernst & Young's reputation. Its objectives include contributing to community development and facilitating long-term relationships with community organisations. Areas of support are determined by staff.

Reg Trevaskis detailed some key points about **Perpetual**, notably that it manages around 600 trusts with a value of \$800 million, from which it has income of around \$40 million annually. About \$44.6 million of the capital is Queensland-specific, producing income in Queensland of around \$2.4 million annually, with North Queensland in particular being well provided for. He outlined key areas of support as arts and

culture, conservation and environment, education, medical and health, and social welfare but noted that Perpetual receives few applications from the area of arts and culture. Mr Trevaskis noted that grants are in the \$5,000 - \$50,000 range. He stressed that key issues that trustees consider in deciding on grants are the real benefit to the community of the project, the development of multiple outcomes for the good of the community and the sustainability of the project through the involvement of good, skilled people and of the community.

Dr Linda Griffith, as a consultant to **ANZ Trustees, ANZ Charitable Services**, outlined trusts managed by ANZ Charitable Services which distribute into Queensland, such as the Sylvia and Charles Viertel Charitable Foundation, which distributes around \$ 4-6 million annually in Queensland through a variety of programs, the JO and JR Wicking Trust which distributes around \$3 million annually nationally, and other trusts that distribute into Queensland. In addition, ANZ Trustees PhD Scholarships in Medical Research for Queensland will amount to \$270,000 in 2006 and a special one-off grants round of four grants each of \$50,000 contributed to children's medical research establishment grants in 2005. Dr Griffith outlined how ANZ Trustees is very concerned about the sustainability of projects and organisations. She noted how it prefers to work with organisations that disseminate knowledge, are prepared to work in partnership with others, particularly across traditional sectoral boundaries, such as health and education, and that work to ensure diversification of their funding base.

Representatives of two major bodies distributing funds to certain nonprofits, Jupiters Casino Community Benefit Fund and the Gambling Community Benefit Fund were not available to present at the seminar. We noted from our research the upper limit of \$50,000, or \$150,000 in special circumstances, for capital costs as well as pilot projects outlined by Jupiters Casino

Community Benefit Fund; and the average \$30,000 granting level for capital projects and community and organisational development projects outlined by the Gambling Community Benefit Fund. As we saw in the Section "Nonprofit Organisations in Queensland", Jupiters Casino Community Benefit Fund made 236 grants totalling \$5,594,672 in 2003-4: the Gambling Community Benefit Fund made 2,510 grants totalling \$32,842,926 in 2002-3.

There are of course many other trusts and foundations that give to nonprofits in Queensland and we also do not pretend that the above comments are representative of all giving trends. However, it is interesting to note the common themes coming through of a desire on the part of grant makers to develop relationships with the recipients of their grants and to help organisations become stronger and thereby serve the community better.

These themes were among others tested in focus groups, the final component of the QCF operations plan described in this Report.

## SURVEY

The second component of the operations plan was a survey of CEOs and other staff of nonprofits across Queensland. Researchers in QUT's Centre of Philanthropy and Nonprofit Studies compiled a survey of 15 questions which was: widely distributed to an email list of 340 recipients; placed on Queensland Community Foundation's web site and emailed to the QCF mailing list; distributed by six peak bodies; and promoted in seminars and other gatherings of likely recipients. Recipients received a number of emailed reminders about completing the survey.

Recipients were asked to respond on-line although hard copy responses were also accepted. Altogether 56 responses were received. QUT researchers analysed the survey, according to University ethical standards.

Questions in the survey were designed to gather information on nonprofits' levels of expenditure and the character of philanthropic grants they received, as well as their views on the best use of philanthropic funds and on the most productive relationships between grant recipients and charitable foundations, by testing the following:

- The general location of the respondent and whether or not the nonprofit responding was a Deductible Gift Recipient;
- Key areas of activity and thus of total annual expenditure;
- Percentage of income from philanthropy (actual and hoped for);
- Numbers of applications made for grants, numbers of grants received, and their value in income;
- Information on how staff find out about applying for charitable grants and their views on the most effective relationships, strategies, priorities, policies and procedures for foundations to adopt.

Around 25% of organisations which responded did not have DGR status, meaning that, as most charitable trusts and foundations can only distribute to organisations with DGR status, there is still a significant number which will rarely be eligible to apply to charitable trusts and foundations.

To gain an idea of the size of grants relative to overall budgets, we asked about organisations' total expenditure, and expenditure by main areas of activity. Responding organisations covered a range of sizes, with 31% having annual expenditure of \$1 million - \$5 million dollars, 27% having \$100,000 - \$500,000 and 23% having more than \$5 million. That is, the larger number fell into the category of small to medium size, as borne out in the Section "Nonprofit Organisations in Queensland".

We also wanted to know what type of costs accounted for most of the expenditure of these organisations and found that community and welfare services, community development, health services, and community and adult education accounted for most of the expenditure overall.

An important part of the survey was gaining information on levels of philanthropy to nonprofits and specifically from charitable trusts and foundations. We noted that for most respondents philanthropy accounted for a small portion of the budget. For 29% of respondents, philanthropy accounted for only 1-2% of the annual budget, for 13% it accounted for more than 80% and for 12% it accounted for 5-10%. Respondents said they would like it to be considerably more, with 25% saying they would like philanthropy to account for 5-10% of the budget, 21% saying 41-60% and 17% saying more than 80%.

However, when we asked about respondents' level of activity with charitable trusts and foundations, the level was below that required to lift philanthropy to higher levels of the budget,

even though respondents actively sought out information on charitable trusts and foundations across written and electronic sources.

For example, 23% of respondents submitted only between five and 10 applications for charitable grants over three years, 19% submitted only between one and two and 13% submitted 11-20. Considering that 35% said they received no income from charitable trusts over three years, 23% said they received between one and two grants, 13% said they received between three and four and another 13% received between five and 10, it was not surprising to see that for 40% of respondents income from charitable trusts and foundations over three years was \$5,000 or less, for 17% income was between \$100,000 and \$500,000, for 12% income was \$10,000-\$25,000 and for another 12% income was \$50,000 - \$100,000.

We asked questions to help us define what nonprofits saw as essential and helpful characteristics of charitable foundations. Opinion was divided on how active a foundation should be with equal numbers feeling that a foundation should create its own agenda in relation to giving and also that a foundation should respond to requests originating from the community. There was a strong feeling that it is not enough for a foundation to give money and that it should also contribute its expertise, management and other skills. Respondents were strongly in support of foundations funding projects which create sustainable solutions to social problems, rather than applying charity. There was also a strong feeling that foundations should fund projects for the long-term rather than episodically.

However, there were some contradictions when we asked respondents to rate the types of grants they would prefer. Respondents were strongly of the view that the best type of funding for them is general support, with project support almost as important and with support of no specified type

being almost as important as well. Grants for research or planning, capital and capacity building were only moderately sought after with some respondents placing a low priority on funds for research and planning. Money for endowments was the least sought after.

So that Queensland Community Foundation can be best guided in the manner in which it relates to its stakeholders, we asked respondents to describe the most and least helpful activities of foundations as well as their views on the perfect foundation.

We found a very strong desire for better communication at all levels between grant applicants and grant makers. Clarity in the application process was also a priority.

When asked about the most unhelpful thing that foundations do in the grant making process, nonprofits provided answers that demonstrated a certain level of frustration in communicating with foundations. Complaints included:

“... provide no feedback...”

“... fail to tell the successful stories in a way that inspires to similar action...”

“... don't give reasons why an application was not successful...”

“... not being clear about what is funded and not providing good guidelines...”

“... insufficient detail about the specific kind of applications they are looking for...”

It is not surprising therefore that in asking about the most helpful ways that foundations have engaged nonprofits we found a strong focus on good communication. Comments included:

“... offering to provide feedback and advice on potential applications...”

“... staff gave insights and ways to improve applications...”

“... been available to discuss projects at initial inquiry stage...”

“... being willing to develop a relationship first...”

“... strategic dialogue, open communication...”

“... clearly defined application guidelines...”

The communications theme was strongly reflected in nonprofits' views of the perfect foundation. Comments included:

“... be open to discussion on potential applications, be willing and able to provide feedback on unsuccessful submissions and publicise and promote successful grants so that others can learn what makes a good project...”

“... have a simple, clear application process and criteria and provide feedback...”

“... be clear and transparent about how applications are awarded and provide strong examples of where grants are awarded and the results of successful applications...”

When we explored further what nonprofits found unhelpful about foundations we noted concern that many foundations will not fund the administrative components of projects. Comments included the following:

“... do not provide for unavoidable administrative expenses...”

“... do not fund salaries as part of project delivery...”

“... focus on traditional areas...”

“... asking that funding be used for innovative programs where a good program is not necessarily seen to be innovative...”

Respondents also indicated an aversion to providing information when they could see insufficient reasons for doing so:

“... excessive evaluation requirements especially when they are not meaningful...”

“... perpetuate outdated and rigid guidelines and formulaic applications which work against creative,

innovative solutions to social problems...”

Respondents commenting on the attributes of a perfect foundation praised those that fund salaries and administrative components of projects:

“... be open and receptive to funding a wide range of needs including funding core costs...”

“... provide a mix of operational funding and set up operational funding and small and large capital grants...”

“... be willing to contribute to general administration costs, not just project-based costs – it is difficult for community-based organisations operating several projects simultaneously, administration costs become a growth-limiting factor...”

There was strong support for the concept of foundations developing partnerships with nonprofits:

“... strive to partner with community development organisations ... to ... build links to the grass roots of community...”

“... be passionate about the key areas we support... without a relationship, mutual respect and understanding a long term relationship is difficult...”

“... understand issues facing the community and work with grant seeking bodies to develop and fund projects of sustainable value to the community...”

“... have a common purpose with us and see our organisations as the delivery vehicle for their aspirations...”

“... be a partner in a project to achieve a desired outcome for all stakeholders...”

“... look at possible links between proposed or funded projects and feed this back to organisations... use the information from bids to inform wider problem analysis and stimulate organisations to develop suggestions for solutions...”

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## Summary

This can be summarised in the table below.

Principal areas of expenditure for nonprofits	Community or welfare services, community development, health services, community education
Most common expenditure bands	\$1-5 million; more than \$5 million, \$100,000-\$500,000
Most common percentages of income from philanthropy	1-2%; more than 80%; 5-10%
Number of grants received per nonprofit over 3 years	Zero; 1-2; 3-4
Number of grant applications submitted per nonprofit over 3 years	5-10; 1-2; 11-20
Preferred types of support	General, project, no one type
Most unhelpful things foundations do in grant making	Do not give feedback (before and after grants are decided); do not have clear guidelines; are unnecessarily restrictive; do not fund administrative costs and salaries
Most helpful things foundations do in grant making	Provide feedback (before and after grants are decided); have clear guidelines and transparent application processes; are willing to develop relationships
Characteristics of perfect foundations	Have open communication; develop partnerships with organisations they support; act as brokers to bring in new ideas, funds and people; fund administrative costs and on-going programs instead of requiring new programs; understand key issues of concern in the community and work with nonprofits to achieve sustainable solutions

## FOCUS GROUPS

The contributors to this Report held a series of focus groups and in-depth interviews to investigate further information gleaned from the seminars and the survey and to encourage attendees to focus on their needs in the years to come, particularly those that will be suitable for funding by philanthropy. In this way, we hoped to identify the philanthropic niches that QCF may occupy in the short to medium term (five years) and to establish a basis for long-term grant making. We encouraged attendees to base their comments on their own strategic planning and also to use information from the seminars, especially in relation to the anticipated changes to Queensland demographics.

Each focus group was composed of representatives of like areas, such as community service, health and research, education, aged care, religion, arts and culture. Individual interviews were conducted with members of Indigenous groups and some arts groups. Each focus group tested a large number of questions and each attendee was encouraged to give full, frank answers. Comments were handled as confidential, with speakers not identified in our notes, and were conducted according to strict university ethics. The organisation of the focus groups and the transcribing of comments were undertaken by a researcher in QUT's Centre of Philanthropy and Nonprofit Studies.

### Application Process

We tested the methods by which staff in nonprofits identify charitable trusts and foundations to which they apply for funding. We found highly variable levels of awareness with some being active in accessing print and electronic sources to identify relevant charitable trusts and foundations, others seeking out government grants only, others having no access to electronic resources and hence being unable

to keep up to date with, or even be aware of, charitable trusts and foundations, and others relying on advice from friends and colleagues.

We noted that some religious organisations will not on moral grounds apply to some foundations or organisations for grants because of the source of the grant funds. Some felt they could not apply as they were regularly refused grants because they were regarded as "religious", even though foundations gave no prior indication of this policy. There was a significant level of frustration with foundations being unable to distinguish between an application by a church entity for religious purposes and a church entity in this role as an auspice for a community service organisation. This is surprising since religious motivation was the foundation of many community organisations that are now Queensland household names such as St Vincent De Paul, Centacare, Blue Care, Lifeline, Anglicare, Boys Town, Mater Hospitals, Wesley and St Andrew's Hospitals and schools such as Churchie, BBC, Gregory Terrace, Nudgee, All Hallows and Somerville House.

We noted that representatives of arts organisations in particular felt that they have little chance in applying for grants from trusts and foundations, given that most arts bodies are based in Sydney and Melbourne where they have good contact with trusts and foundations and hence small arts organisations in Queensland cannot compete. QCF may consider capacity building in fund raising for arts organisations so that they gain skills to seek out new sources.

Representatives of Indigenous groups indicated that having the resources to satisfy the acquittal process was an obstacle and a reason that they often did not apply to trusts and foundations in the first place. They felt that it was important to use existing networks to disseminate information on available grants, to train staff in writing good applications and to travel to communities to help local representatives identify sources of funding

and write applications. While they might be skilled in writing applications for ATSIC, that source of funding is no longer available and grant writing for charitable trusts and foundations requires different skills. Again, capacity building in fundraising may be an option for QCF.

While attendees said that they kept up to date with changes in grant making guidelines and changed application forms, this was not always borne out by their comments on individual charitable trusts and foundations. Many agreed that it was essential for trusts and foundations to have clear relevant, up-to-date information on their web sites but others noted that many applicants did not have access to electronic resources.

For many, the problem of identifying likely funders and following that up with a targeted, comprehensive request for a grant was magnified by a lack of internal resources. Several attendees across most groups commented that they are time poor and lack experience and knowledge in writing applications for grants, with volunteers undertaking the task in several cases.

The lack of resources invested into grant writing by some may be explained by the variable success rate with securing grants and thus the view that time invested in writing applications is not time well spent. Responses were similar to what we found through the survey with success rates varying from 80% to zero.

We observed that in general attendees had incomplete knowledge of application details and of locating relevant grant making bodies. Furthermore the lack of resources to invest in writing applications and the lack of skills to write good applications posed real barriers, exacerbated by sometimes low success rates in securing grants. The fact that deadlines for applications for several trusts can occur at the same time of year increases the work load of applicants who would prefer closing dates spread across the year.

A common complaint about trusts and foundations was the time applicants put into making applications and supplying information. Some applicants said they could spend several days writing an application and found it hard to justify the investment of time, especially when they could not see the relevance of some of the information they were asked to supply. There was general support for first supplying an expression of interest or a preproposal so that grantees would not waste time on applications that stood little to no chance of being successful. There was support for completing applications on-line provided that such a process was manageable even by those who did not excel in technology and provided that it was possible to complete the application over a long period, saving it regularly without risking submitting it inadvertently.

There were frequent comments that trusts and foundations would not take the time or be willing to give more details on guidelines and eligibility of organisations wishing to apply. Lack of feedback, and refusal to explain why grants were refused, were also common complaints. While some attendees acknowledged that grant makers are time poor like they are, and while some found trusts and foundations receptive, the majority felt that obstacles are unnecessarily put in their way. Those who had made personal contact with representatives of trusts and foundations said how much they appreciated the chance to speak directly with the persons concerned. The problem of contact seems to be particularly felt since many trusts and foundations are located in Melbourne and Queenslanders feel this puts them at a disadvantage.

Some attendees were of the view that trusts and foundations do not understand their particular sector in the nonprofit industry and are unwilling to spend any time in understanding the issues.

### **Funding for New Projects/Core Funding**

We tested out the types of nonprofit needs that foundations and trusts principally funded. There was a generally strong feeling that the key needs are on-going operations funding, as opposed to funding for new projects. Some attendees felt that trusts and foundations will fund only new, innovative projects without acknowledging that many core, existing projects are already innovative and are both requiring and deserving of funding. Some attendees commented that it was damaging to the viability of the organisation to have to develop new projects in order to make applications and that it took resources away from existing valuable activities. The comment was made that there is a temptation to revise existing projects and present them as something new to avoid the full cost of promoting and launching new innovations.

The issue of sustainability of a project was also raised in connection with putting up new projects for funding since it is felt that trust and foundation funding is usually for short defined periods and that it is not usually possible to claw back money from existing operations to sustain new projects. Rather than creating efficiencies in other areas of operations through the creation of new ways of doing core business, new projects create added costs.

There were strong feelings from many attendees that they are already highly innovative, as evidenced by their ability to last many decades, serving the community in difficult work far more effectively than other types of enterprises, and all done with exceptionally limited resources.

### **Collaboration and Partnering**

There were mixed feelings about the focus that some trusts and foundations place on the need for nonprofits to partner with other organisations. Many said they could see the logic in having organisations with similar aims form partnerships

and reduce duplication and thus costs. However, they acknowledged that it was not without tensions and loss by some parties. Others felt they could develop successful partnerships with organisations in different fields and sectors, thereby expanding their appeal, proving greater relevance of their organisations and injecting new life into existing programs.

Many acknowledged that collaboration and partnerships will be a future trend and while some felt that it would compromise their activities, others felt it would add new, welcome dimensions.

Some indicated that partnering with other nonprofits was fraught with dangers and had potential to damage their status as a Deductible Gift Recipient.

Other nonprofits welcomed the opportunity to partner with charitable trusts and foundations in achieving aims and felt it would be beneficial to all concerned for foundations and trusts to contribute not only money but expertise, skills, contacts, people and direct, personalised access to other sources of funding. The desire for good, open communication with staff in charitable trusts and foundations was very strong among many attendees.

### **Reporting and Acquittals**

Attendees generally acknowledged the need to report back to foundations although some felt that funded projects were usually successful and that such a matter needed to be taken into consideration by trusts and foundations. However, there was dissatisfaction about time consuming reporting, done to an outdated formula, where the purpose of the reporting is not clear.

On the other hand, many attendees found that reporting and acquittal of grants was straight forward when they had earlier developed a relationship with the funding body.



There was strong support for a tiered reporting and acquittal process which is consistent with the size of the grant and the complexity of the funded project.

Attendees noted that knowledge of, and faith in, the management and governance of nonprofits could do away with the need for complex reporting and acquittals.

### **Capacity Building**

We tested the need by nonprofits for their own capacity building. Many indicated that it is difficult to secure charitable funding for such purposes. There was strong support for extending funding to purposes such as human resources costs. Many indicated that staff do not have the business skills to be as effective in their jobs as they need to be. Training in business strategies and procedures specifically for the unique needs of nonprofits would be well received and the need for this was strongly borne out in the first seminar of the series. Similarly training programs in governance for nonprofit boards would be welcomed.

Attendees also advised of the need for templates and basic policies that are suitable for nonprofits and that give required information on nonprofit management, such as Occupational Health and Safety, Human Resources Management, Risk and Liabilities Management, and other issues that nonprofits need to understand well and that differ from the types used in for-profit businesses.

As well, attendees welcomed the notion of funding being made available to increase their capacity and skills in fund raising and specifically in seeking grants from charitable trusts and foundations. A range of provisions, such as access to electronic and hard copy sources of information about available funding; a resource centre accessible by all nonprofits; access to seminars, conferences and training; and funding to appoint staff were all acknowledged as needed by most nonprofits. Capacity building of nonprofits

therefore constitutes a philanthropic niche that QCF might occupy.

### **Other Needs**

We sought information on other needs that QCF could consider for funding. There was wide spread concern that Queensland has special needs that other states, especially New South Wales and Victoria, do not have, due to the long distances, high cost on intra-state travel, geographical diversity, isolation and many remote, rural and regional communities that nonprofits have to service, as well as large Indigenous populations where there are many opportunities to make a difference.

Apart from providing operations funding, there was strong support for allocating funding for the delivery of services in rural areas and notably for funding salary and other administrative components of services delivered to the bush and regional areas, which traditional charitable trusts and foundations do not fund. Attendees advised that it is difficult to secure funding for travel, accommodation and administration even though these are always essential components of projects.

Islamic organisations identified a pressing need to work in their community driven by the growing number of refugees and the pressures placed on their community since the mounting of global tensions in the Middle East.

Some attendees suggested that QCF fund programs to involve volunteers better in nonprofits, with volunteers taking on strategic roles that are well suited to their previous careers.

Funding for equipment is also too scarce and much needed.

## Summary

Comments from the focus groups can be summarised as follows.

Knowledge of charitable trusts and foundations	Highly variable, usually imperfect knowledge of relevant trusts and foundations and of how to find them
Accessibility of information about trusts and foundations	Most nonprofits prefer to consult up-to-date web sites but many, especially in remote areas such as Indigenous groups, have no electronic access and require face-to-face communication or contact via existing networks
Accessibility of staff in trusts and foundations	Most attendees said they find trusts and foundations difficult to access and prefer to have a person to speak to directly
Challenges to submitting applications	Time consuming and many lack the resources and skills to write good applications;  Religious groups feel they are excluded;  Some groups (such as arts) feel they have little chance of success
Types of application forms preferred	Preproposal preferred as well as clarity about why certain information is sought
Relationships between trusts and applicants	Frustration at the lack of feedback at all stages in the application process as well as in decision making; Establishing relationships between trusts and nonprofits is very welcome
Collaboration and partnering	Difficulties in collaborating with like bodies and sometimes partnerships with different sectors are more manageable;  Partnerships with trusts are well regarded
Reporting	Appreciation of simple reporting and acquittal requirements that are consistent with the size and complexity of project funded;  More confidence needed by trusts in management and governance of nonprofits
Need for capacity building	Strong need by nonprofits for nonprofit-specific business training in management for staff and in governance for boards; Templates and electronic and hard copy resources for describing aspects of nonprofit management; Need for capacity building in fund raising such as training in grant writing, staff, purchase of resources, conference attendance
Other nonprofit needs	All costs associated with delivery of services to regional, rural and remote communities; Travel, accommodation and other administrative costs of delivering services; Equipment; Programs to involve volunteers in an appropriate manner; Islamic organisations facing pressing needs to work in their communities;  Opportunities to develop Indigenous services.

## Summary

We noted in the first seminar the relative paucity of philanthropic funding into Queensland, compared with that into other states, as seen against a backdrop of rapidly increasing demand and population as we noted in the second seminar. In the third seminar we noted the variety of granting programs and can compare those with the plethora of needs articulated in the survey, focus groups and interviews. With an apparent lack of communication among nonprofits and grant making bodies, we sense that nonprofits' real needs are not being satisfied via philanthropy. Challenges arise for QCF in identifying the needs which, when funded, have the capacity to produce significant multiplier effects so that funds accomplish as much good as possible. Challenges also arise in responding to the needs of nonprofits with constrained resources.

In the next Section we will analyse all elements of the challenges and attempt to lead up to advice for QCF and considerations that may be taken on board.

# Meeting the challenge

## THE NATURE OF THE CHALLENGE

We have read in the Section “History of Philanthropy in Queensland” how rich and strong a tradition of philanthropy Queensland enjoys and how much it has contributed to the fullness, creativity and diversity of life in the Smart State. We have noted in the Section “Nonprofit Organisations in Queensland” that, despite a large number of nonprofits compared with other states, notably New South Wales and Victoria, Queensland lags behind in philanthropic receipts, a fact made more worrying by the anticipated growth in population and need for services that we have described in the Section “Future Philanthropic Needs of Queensland”.

Nonprofits face huge challenges in delivering services, made more difficult by: the high cost of servicing rural and regional areas; the decentralised nature of Queensland and its services; the large number of small to very small nonprofits across the State; the lack of internal resources and capacity of many nonprofits; the obstacles that many face in dealing with interstate foundations; and the absence of philanthropic funding for core costs. The challenge that nonprofits face in delivering services and their need for enhanced internal capacity is recognised through the Queensland Government’s “Strengthening NGOs Project” that we outlined in the second seminar of the series.

Similarly, QCF faces huge challenges in maintaining and enhancing Queensland’s tradition of philanthropy and in making grants that give the Deductible Gift Recipients that it grants to the ability to deliver better services for the good of Queenslanders, regardless of where they are located. QCF can contribute to the Smart State by working with DGRs to promote diversity, creativity, responsiveness and engagement in Queensland communities.

In this section of the Report, we analyse the findings from the seminar series, the survey and the focus groups and draw up a plan for the QCF to consider. We strengthen our analyses with the knowledge that the contributors to this Report have of the sectors and with new research.

## PRELIMINARY CONSIDERATIONS

Community foundations hold in trust monies that have been bequeathed to them by members of the community, benefactors with differing views on the community and on how philanthropy might be distributed. Community foundations need to extend their benefaction across various fields of nonprofit activity, with the limitations often being geographic: benefactors giving to a community foundation usually like to see the benefaction remain in that community. In the case of the Queensland Community Foundation, that community is the whole of Queensland with the understandable qualification that many benefactors like the effects of their benefactions to remain in their locality.

The Queensland Community Foundation has been a grant maker for some time via its named funds. As we have seen in the section on “Nonprofit Organisations in Queensland”, in relation to its General Fund as far as this Report is concerned, it can distribute funds to Deductible Gift Recipients only, of which Queensland has several thousand. This requires very good knowledge on the part of QCF Governors and staff about nonprofits in Queensland at metropolitan and regional levels. It also requires a high level of general funding and we note that it will be several years before QCF will be distributing large sums overall.

There is a plethora of issues that QCF needs to consider before it can undertake successful grant making, as we list below.<sup>1</sup>

## Rationale behind the Funding Programs

It is reasonable to say that funds held by QCF in the General Fund should be applied to the widest possible range of needs that are addressed by DGRs, regardless of their geographic location and type of activity. This is borne out in the QCF Trust Deed which states that giving should be for “... charitable purposes beneficial to the community ...”. Furthermore, the QCF mission statement is “...to provide a permanent source of philanthropic funding for charitable organisations to enable them to respond to emerging community needs and to meet the needs of Queenslanders in financial crisis...”

Hence, we need to consider if QCF should be:

- funding existing services and activities whether they be new, innovative projects or good work of long-standing, serving the community and amounting to charity;
- funding new innovative projects, designed by nonprofits but often promoted in an entrepreneurial fashion by QCF as work that needs to be undertaken for the good of the community;
- funding capacity building of DGRs so that these nonprofits obtain enhanced skills and resources to deliver their services better;
- funding fundamental change to certain aspects of society, often through advocacy.

The first three involve being reactive to nonprofits’ plans, as well as working in partnership with them to accomplish programs and activities. They may also involve QCF actively seeking out strong nonprofits, characterised by sound management and governance, and discussing projects that DGRs wish to implement and that QCF wishes to fund, based on its knowledge of needs within the overall nonprofit sector.

<sup>1</sup> We have borrowed heavily from the excellent work by Julia Unwin “The Grantmaking Tango: Issues for Funders”, London, The Baring Foundation, 2004, ISBN 0-9538040-3-8

The fourth type of grant making involves QCF undertaking lobbying and working with nonprofits to be a voice for change within the community. This may well be outside the intended scope of QCF activities and may be contrary to the intentions and expectations of benefactors who left QCF funds to manage through the General Fund.

### Management of Grant Making

A common sense approach for QCF to adopt across its grant making is for QCF to decide on the outcomes it wishes to achieve and to ensure that its administrative procedures aim at securing those outcomes. If, for example, funding capacity building across the bulk of DGRs is an option, then a multi-faceted, flexible application process, both active and reactive, designed to suit a range of competencies within DGRs needs to occur.

QCF needs to consider how it will receive proposals for consideration of funding. Will it invite full proposals, will it invite letters of inquiry and then seek full proposals from a short list of applicants only or will it not accept unsolicited proposals and instead invite certain DGRs to submit proposals for general or specific needs? Our survey and focus groups shed light on the feasibility of these strategies.

QCF also needs to consider if it will place time limits on its grants to each DGR and if so the length of the limit, such as the fairly commonly found three year limit. Other issues include whether or not QCF will apply specific exclusions to the needs that it funds, such as not funding administrative costs like many other charitable trusts and foundations.

Will QCF prefer that its grants leverage additional funding or create capacity to secure additional funding, will it require multiple funding partners in a proposal and will it be active in seeking out other funders to assist nonprofits? Will it give preference to making grants that have strong

multiplier effects, that go beyond the giving of charity?

Other issues QCF needs to address include the level of due diligence that it will undertake, the level of reporting that it will request of funded recipients and the extent of evaluation of funded projects and programs that it will require of nonprofits. As with all matters relating to possible strategies and procedures, our operations plan sheds light on these issues.

### Implications for QCF

The absence of high levels of funds in the General Fund indicates that QCF could consider the option of focusing its giving on specific types of needs that are common to all DGRs, regardless of their geographic locations and areas of endeavour. In this way, it will create a critical mass of giving activity, it will create expertise in this area of giving and it will be able to measure a certain level of advancement in those areas of activity, comparing outcomes in different DGRs and in different geographic areas.

To formulate options in grant making for QCF, we will examine the findings of all components of the operations plan and will reinforce them with our additional research.

## SCOPE OF FUNDING FOR QCF

As nonprofits are uniquely positioned to serve the community with a myriad of services - whether these be in the areas of aged care, animal welfare, arts, community services, culture, education, environment, health services, human rights, indigenous services, religion, research, welfare services, or others - it is logical for QCF to seek to benefit those DGRs and to strengthen their ability to deliver their services. Limiting QCF's support to specific types of grants that are applicable to all nonprofits is a reasonable

strategy when there are limited available funds. Building the capacity of DGRs is also a reasonable strategy, highlighted by government, and one which resonated well with attendees at focus groups.

These are important characteristics of the QCF profile that we need to consider. However, we will examine all aspects of the grant making characteristics that QCF might assume, based on findings from our operations plan.

## EXAMINING THE FINDINGS OF THE SEMINAR SERIES

In the first seminar of the series we saw that more than half the Deductible Gift Recipients (the only organisations that QCF is permitted to give to) in Queensland are devoted to welfare and rights. We also noted that only a small number is devoted to health organisations such as hospitals and research bodies. We noted too that Queensland has many small organisations, often powered by volunteer efforts and that there are fewer nonprofits in urban areas per head of population than in rural areas. Despite the definite needs of all nonprofits in Queensland, we noted that Queensland nonprofits receive proportionately lower levels of philanthropic funds than do their counterparts in other states, specifically New South Wales and Victoria.

The second seminar of the series highlighted the expected large growth in population and especially in the older age group, pointing to an expected increased need for aged care. The seminar also highlighted the need for enhanced services for Indigenous populations.

We might be tempted to conclude from the above that priority should go to community services, welfare and rights type agencies which seem over-represented but that would be to misinterpret how hospitals might be incorporated

and the demands placed on health services. We might also be tempted to give priority to densely populated areas where there is great need but that would be to misinterpret Queensland's great challenges of distance as well as difficulty and cost of access for DGRs in delivering services.

Indeed there was strong support in focus groups for funding the delivery of services in rural, regional and remote areas. Queensland's vast distances, high cost of regional travel, decentralisation of services and level of unmet needs indicates that giving to DGRs for regional expenditure would be valued.

## IMPLICATIONS, BACKED UP BY THE SURVEY AND FOCUS GROUPS

Bearing in mind the:

- limited funding from the General Fund that QCF will be in a position to distribute in the short to medium term;
- huge levels of unmet need across DGRs in most sectors;
- supposition that benefactors who feel strongly about a particular area of activity will nominate a specific Named Fund or purpose in making their benefaction;
- assumption that QCF will attempt to benefit the Queensland community in general through a maximum number of DGRs;
- reluctance of many funding bodies to support capacity building of nonprofits and;
- the Queensland Government's current strengthening NGOs project which will focus the attention of nonprofits managers on capacity building needs; it seems a reasonable strategy for QCF to consider

funding capacity building in DGRs so that they can become stronger, deliver services more effectively and thereby serve their communities better.

While the survey indicated that funds were most needed for service delivery, capacity building was also favoured. Focus group attendees also indicated that funds for capacity building would be well received. In particular, we noted an unmet need for capacity building in the areas of fund raising with grant writing a priority: some organisations undertook little to no activity in grant seeking and were unaware of what options are available to them. Speakers at the second seminar in the series indicated that QCF funding could be of great benefit to nonprofits when applied to capacity building and organisational development.

We feel then that the first finding relating to work to be funded is that funding capacity building, especially in fund raising, across all types of DGRs, will be a well regarded use of benefaction responding to a pressing need in Queensland, with the potential to deliver substantial returns to the general community.

## THE APPLICATION PROCESS

QCF needs to consider how it can make the best use of the time of its own staff and of staff in DGRs in relation to the application process. We know that extensive time can be spent by nonprofits in writing funding applications that will not be successful. Staff in charitable trusts and foundations also spend large amounts of time reviewing applications and, because of insufficient available funding as well as the eligibility of the application, eventually reject the applications.

### Calling for Applications and Seeking out Good Projects and Organisations

In the third seminar we saw that trusts may call for applications in an open, well-publicised process and then react to the applications they

receive; or they may actively seek out high-performing organisations and work with them to develop projects that satisfy the intent of each party. However, as a community foundation benefiting Queensland, QCF needs, we feel, to give as many DGRs as possible the chance to apply for funding. It can, in addition, invite applications from organisations.

Responses to the survey indicated that there is support for QCF undertaking both an active and a reactive role, inviting applications and seeking out organisations. Focus group attendees also said that they believed that QCF should be both active and reactive. Basically, QCF's procedures need to ensure that it reaches desired goals: the outcome should dictate the process.

Our first finding in relation to the application process is therefore that QCF could be both active and reactive in securing applications for funding, with the level of activity depending on the quantum of available funding as well as on QCF staff availability, and with nature and scope of processes used matching desired outcomes.

### Logistics of Applying

The survey and focus groups all indicated strong support for on-line application forms. There was also strong feeling that the on-line process needs to be as simple as possible, with sufficient space for nonprofit staff to answer questions adequately and the ability to save applications on-line without submitting them prematurely.

However, many staff in nonprofits, especially those in remote areas and those with a high volunteer component, pointed out that they do not have access to the internet and often have access to local newspapers only. Hence, it will be important for QCF to consider the obstacles facing some DGRs and to inform them individually of granting forms, guidelines and time frames.



There is value also in meeting with some DGRs and explaining the application process. This is especially important for small DGRs lacking capacity in applying for, acquitting and reporting on grants.

Furthermore, it is important that applications for simple needs of low value have scaled down application, acquittal and reporting processes. Requests for large sums clearly need more detailed application, acquittal and reporting processes. That is, the process should be tiered and suit the outcome.

It was interesting to note that, even with those staff of nonprofits who said they consulted the web pages of charitable trusts and foundation every time they wished to submit a grant application, in order to be sure of using the latest form and of taking into account any changes since they last applied, we noted a lack of up-to-date knowledge about a range of trusts and foundations.

Across the focus groups we noted a strong appetite on the part of nonprofits for communication with charitable trusts and foundations, in relation to advice during the application process as well as feedback once decisions on funding are made. Hence it will be important for QCF to adopt good and frequent communication with potential applicants. It will also be advisable to encourage attendance by DGRs at workshops on how to apply for funding and to write applications.

Our second finding relating to the application process is therefore that QCF should consider the following:

- having a very streamlined, user-friendly, simple on-line application process;
- emailing as many stakeholders as possible to advise of the on-line process and to advise of changes to it;

- mailing DGRs in remote areas as well as those which have indicated that they have no on-line access;
- accepting both on-line and hard copy applications;
- establishing high levels of communication with DGRs;
- adopting a tiered application, acquittal and reporting process;
- encouraging attendance at workshops in applying for funding and in grant writing.

### **Advantages of a Preproposal**

During the focus groups, we noted a fair degree of frustration on the part of nonprofits in dealing with charitable trusts and foundations in relation to the time spent on preparing applications and the sometimes low success rate.

We note also that most trusts and foundations that invite applications require a full proposal in the first instance. There was good support in the focus groups for the notion of submitting a preproposal or letter of inquiry so that applicants would know before they spent excessive time on an application whether or not they had a chance of securing funding.

It will also be advisable for QCF to retain flexibility about due dates. Attendees at focus groups indicated that it was difficult to manage workloads when several trusts and foundations had similar due dates and that it would be helpful for QCF to have due dates at times when others do not. While we acknowledge that QCF staff will want to distribute grants as soon as possible from distributions, we suggest that flexible, variable due dates will be appreciated by the DGR community.

Nonprofit staff also indicated that some foundations and trusts take many months to make final decisions on their grants, meaning

that projects are delayed or cancelled or other opportunities for funding are lost. While we appreciate that many trusts and foundations are bound by the availability of trustees who are part of the decision making process and by the time that it takes to assess large numbers of applications, we urge QCF to ensure that decisions are made and that successful as well as unsuccessful applicants are advised in as timely a fashion as possible.

Our third finding in relation to the application process is that QCF could consider inviting and accepting two-page preproposals or letters of inquiry, which state pre-determined facts about a funding need, from nonprofits. QCF can then review the letters in an efficient, timely fashion and invite full proposals from those deemed most in keeping with the guidelines and capable of delivering the most benefit to the community in the long term. The format of preproposals followed by full proposals may also facilitate flexibility with due dates and should mean that decision making can be as speedy and efficient as possible.

## **ASSESSMENT AND DUE DILIGENCE**

QCF will need to assess requests for funding as well as undertaking due diligence on the DGRs seeking funding, notably in relation to the quality of management and governance. It is essential for this to be accomplished in a timely, efficient manner so that resources are not diverted away from relationship building activities and from working with nonprofits on some capacity building activities. The use of professional grant makers may be required.

We would say that the best protection for QCF against inappropriate use of its grants is verifying the quality of management and governance of the DGRs that it funds. Proof of good management



and governance takes away the burden of cumbersome acquittal and reporting and, coupled with verification of the need for and integrity of projects to be funded, can facilitate due diligence by QCF.

## NEEDS IN DGRS TO CONSIDER FOR FUNDING

As we have already described, DGRs abound in Queensland, cover most fields of community endeavour and stretch across the State. Deciding on what to fund is made easier when QCF examines the impact it wishes to achieve.

We have already noted that it would be helpful for QCF to benefit DGRs across many fields of endeavour and in many geographic locations and it would be an advantage if QCF funding could have a strong multiplier effect, possibly helping secure additional funding for DGRs.

Our focus groups gave insight to an enormous range of needs within DGRs but, collectively, the needs added up to such huge amounts that all Queensland funding bodies together would not be able to satisfy them, let alone a single foundation.

The seminar series brought forth advice on the value of funding capacity building in DGRs, which would help them serve their communities better through innovation in management. Through better capacity, Queensland DGRs might possibly increase their levels of philanthropic funding which, as we saw in the first seminar, lags behind New South Wales and Victoria. The focus groups brought forth a strong desire on the part of most DGRs to increase the philanthropic component of their budgets. Strengthening NGOs is a government priority and so by funding capacity building QCF will be contributing to a critical mass of activity across all DGRs and could take advantage of opportunities that arise such

as helping leverage funding, identifying gaps in part-funded projects and helping create career paths in nonprofit industries. The future of the non-government sector is dependent on it having innovative service models as well as innovation in management, including fund raising.

In the survey and focus groups we asked many questions relating to the most helpful funds that nonprofits can receive. There was very clear support for receiving funding for existing work and little support for seeking funding for new projects, due to the difficulty of sustaining additional work. Nonprofits seemed to take the view that they survive with limited funds only because they are innovative and entrepreneurial and that they need support for existing projects and unavoidable core costs that are integral to their work. Attendees noted chronic shortages of funds to undertake core mission, let alone attempt additional entrepreneurial work. As respondents noted, they cannot operate if they do not pay for items such as electricity, car running costs, insurance and workers compensation. If no sources of funding are found, funds are taken away from much needed services to pay for basic operating needs.

This raises a point that we mentioned at the beginning of this section, in relation to the type of funding that QCF wishes to disburse. Funding core costs of DGRs is an adoption of the charity view and we have already noted that DGRs have other needs that, if funded, could help them leverage additional funding. Contributing to capacity building across as many DGRs as possible and helping small DGRs in particular improve their knowledge and skills in the areas of management and governance will help them in their relations with funding bodies by making the satisfying of due diligence easier. Funding education in fundraising and grant writing is a way of making grants from QCF go much further and of developing skills within DGRs that will serve them well in securing funding from many sources.

We also noted high levels of unmet need in relation to certain administration costs of good projects, such as travel and accommodation in regional Queensland for the delivery of services. Salaries are also an important area of unmet need, especially for delivering services to regional, rural and remote areas. We received many comments that it is difficult to secure funding from charitable trusts and foundations for such purposes. Part of this stems from the fact that many funders are in New South Wales and Victoria and cannot appreciate the decentralisation in Queensland, nor the vast distances and high costs of travel to regional, rural and remote areas.

We suggest then that QCF consider funding travel and related administrative costs associated with the delivery of services to regional, rural and remote areas, regardless of the type of activity that the DGR is undertaking but taking into account the benefit to the community and the level and urgency of need for the service. Funding such costs may often make the difference between a project being implemented or not and hence give QCF grants a chance to leverage strong outcomes.

DGRs working in the area of delivering health services noted a strong need for funding for equipment, especially for services in remote areas.

Our findings in relation to the needs that could be funded by QCF, taking into account the limited funds available and the desire to benefit the community state-wide are that QCF could consider funding:

- capacity building of DGRs in the areas of nonprofit-specific education in management and governance;
- capacity building of DGRs, specifically for education in fund raising and grant writing; (part of this funding could take the form of attendance at workshops and seminars on

applying for grants; written and electronic resources with very detailed but straight forward information about applying to trusts and foundations, made available on the QCF web site; subscriptions and products for nonprofits about fund raising);

- travel, accommodation, salaries and associated costs for the purposes of delivering urgent, vital services to rural, regional and remote communities;
- equipment, such as that required for the delivery of health services in remote areas.

## COLLABORATION AND PARTNERSHIPS

We examined collaboration and partnerships on three levels. We asked questions in focus groups on the values and difficulties created when nonprofits collaborate on projects, and seek funding for collaborative projects. Nonprofits were very mixed in their reactions with some seeing projects compromised and others finding benefit in collaborating with organisations from different industry groups. In general we would say that collaboration among DGRs should be encouraged since it generates new ideas and contacts, especially when the collaboration is across sectors, such as aged care and education.

We urge QCF to consider giving preference to requests for funding when there is evidence that organisations from different sectors are collaborating to deliver a service, such as the delivery of services to the bush or to implement capacity building activities.

The second level of collaboration that we examined is QCF forming partnerships with DGRs and collaborating with them on projects and on securing funding. While we note that QCF will have limited staff resources to work on project development, and will by necessity have

to apportion time to such activities very carefully, we encourage QCF to be active in developing partnerships with DGRs in order to understand their activities better and to help them with securing funding, whether from its own resources or from other funders.

To that end, and in relation to the third level of collaboration and partnering, we encourage QCF staff to be active in building relationships with other charitable trusts and foundations and to keep open to possibilities of funding projects in partnership with other trusts and foundations.

The finding from these observations is that QCF could consider maintaining active dialogue with DGRs as well as charitable trusts and foundations, promoting the creation of partnerships at a range of levels in the interest of securing the most possible funding for worth-while nonprofit needs. QCF can act as a networker and knowledge broker.

## REPORTING, EVALUATION AND DISSEMINATION

It is common, understandable, responsible practice for trusts and foundations to require nonprofits to report back to them on the use of grant monies. Requiring a report on outcomes and use of funds is simply part of good management practices on the part of trusts and foundations. However, we encourage QCF to keep the reporting process simple and to ensure that it seeks only completely relevant information.

In our focus groups we encountered criticism of complex reporting procedures, especially when nonprofit staff could see no value in the questions or process.

As we have previously noted, the levels of reporting should be in accordance with the levels of funding and complexity of projects funded. In

addition, examining the quality of management and governance is a crucial part of the reporting process.

Similarly it is part of good practice by trusts and foundations to ask grantees how they will evaluate their funded projects and how they will disseminate the findings of their projects. Funders need to know that projects will be properly evaluated, errors corrected, modifications undertaken and good outcomes promoted widely; an absence of any budget for dissemination can indicate that the project will have little effect outside the working group implementing it. It is right therefore that funders focus on evaluation and dissemination.

Attendees at focus groups were at times critical of these processes, principally because of the amount of time that they required. We believe that QCF should insist on good quality evaluation and dissemination of results. However, we encourage QCF to keep the requirements simple so that the time involved by DGRs in evaluating projects, and the processes used, are consistent with DGRs' usual evaluation processes and with the quantum of the grant. Furthermore, if QCF funds capacity building, then evaluation is basically an examination of management and governance.

In relation to dissemination of outcomes and results of funded projects, we encourage QCF to work with nonprofits and other funders in spreading the news so that new relationships and synergies may be developed and new avenues of funding may be uncovered. Evaluation and dissemination need to be learning processes for the DGRs and the funders.

Our finding here is that QCF should consider establishing simple, clear reporting guidelines, that it should insist on proper evaluation in keeping with the particular nonprofit's culture and that it should form partnerships and work

collaboratively with nonprofits and funders to disseminate results and outcomes of funded projects. QCF can thereby become a catalytic agent and knowledge broker.

## OTHER PHILANTHROPIC TRUSTS AND FOUNDATIONS

In many of our focus groups and in collating comments from the survey, we noted a good deal of imperfect knowledge about trusts and foundations. We know from first hand experience that many trusts and foundations:

- have clear, explicit guidelines;
- are open to discussion with applicants;
- conduct seminars on applying for grants and make other information available;
- discuss proposals with applicants in advance, often working with them on a proposal;
- give helpful, constructive feedback on applications and success or otherwise;
- form partnerships with nonprofits;
- help secure funds from other trusts and foundations;
- act as knowledge brokers.

It is therefore important to see comments in a broader context and to appreciate the synergies that can be developed if QCF funds resources and other needs that enhance nonprofits knowledge of the philanthropic and fund raising sectors.

## SUMMARY

By using information gathered across our operations plan, we have suggested strategies relating to all aspects of grant making for QCF. All that remains is to summarise and to voice the fervent hope that philanthropy will play an ever-increasing role in Queensland, where QCF will act as a knowledge broker and catalytic agent for philanthropy.



## Conclusion

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We have seen that philanthropy has a vital role to play in the advancement of the Smart State. Philanthropy has the ability to transform communities by fostering imagination, innovation, creativity and a willingness to respond to genuine human need in the most direct and compassionate manner. Philanthropy underscores many organisations in the nonprofit community, all devoted to advancing the quality of life and enhancing the health and vitality of our society. When melded with technological innovation, advances stemming from services delivered by education, arts, culture, environment, community, health and other nonprofits sectors are what make up the quality of life of a great civilisation.

We hope that Queensland Community Foundation, through its grant making and networking, will be a lead body and will add to the creativity and diversity of the State by the support it extends to a variety of DGRs. This Report aims at using findings from the operations plan (described herein) to provide QCF with options for maximising its contribution to the Smart State.

We read in the section “History of Philanthropy in Queensland” about the strong tradition of philanthropy that Queensland enjoys. The generosity of past and present generations of Queenslanders as well as of benefactors from other states and nations have enriched the life of Queenslanders through the availability of services delivered by volunteers and nonprofit staff in most areas of human endeavour. These major contributions have added significantly to the cultural, intellectual, spiritual and physical infrastructure that makes up the Smart State.

We noted in the section “Nonprofit Organisations in Queensland” that QCF can give only to Deductible Gift Recipients. While this is a limitation that excludes groups such as sporting and recreation associations, we noted that DGRs are spread across the State, covering a multitude of sectors and services. We noted that more

than half the DGRs in Queensland belong to the welfare and rights category and that Queensland has proportionately more in this category than the Australian average. Queensland has fewer DGRs in the categories of research, overseas aid and defence than the Australian average and, in assisting health agencies, QCF may not have a wide constituency compared with other sectors.

Also in this section we noted two statistics that have a direct bearing on QCF’s granting policies and procedures, notably the type of needs that QCF funds from its General Fund and on how it seeks information from DGRs. Firstly, we noted that DGRs in Queensland have proportionately less receipts than Victoria and New South Wales, indicating a need for increasing the fundraising capacity of DGRs in order to enhance Queensland’s vibrant heritage of philanthropy. Secondly, we noted that Queensland has a large number of very small DGRs, often with heavy volunteer components, and these organisations may have difficulty in producing applications for funding as well as undertaking acquittals, evaluations and reporting. This indicates a need for QCF procedures to be consistent with the environment in which it operates and with the outcomes it wishes to achieve. Tiered processes according to the size of DGRs may be the answer.

Hence, our findings from the first seminar, confirmed by other components of our operations plan, notably the survey and focus group series, indicated a strong need for capacity building within DGRs and specifically in the areas of:

- training in nonprofit-specific management and governance;
- training in fund raising including grant writing.

The recurring theme of likely demand to be placed on the services of nonprofits was highlighted in the second seminar where we noted anticipated high growth in population in Queensland. Given

that the Queensland Government is focusing on growing nonprofits across Queensland through its “Strengthening NGOs Project”, it is logical for QCF to contribute to growing the capacity of DGRs. The niche that QCF might occupy, based on findings discussed throughout the Report, is capacity building in management, governance and fundraising, specifically designed for nonprofits and aimed at increasing skills, knowledge and the resource bases of DGRs.

Our research, as well as findings from the third seminar and from the survey and focus groups, highlighted that while some charitable trusts and foundations fund the administrative components of approved projects, many DGRs have difficulty in securing funding for salaries and other administrative costs. In finding such gaps, QCF can play a lead role in ensuring that good projects are implemented and can leverage outcomes for the community.

We noted from findings made across our operations plan that Queensland has a distinctive character with great distances, huge issues of isolation, high costs of intrastate travel and heavy costs of delivering services in rural, regional and remote areas. Staff of nonprofits expressed difficulties in communicating these obstacles to inter-state funders. Helping fund the delivery of such services, particularly gaps (such as salaries and administrative costs) left by other sources of funding, is an effective way for QCF to help those DGRs that deliver much-needed services in rural, regional and remote areas.

As we noted, the size and capacity of large numbers of DGRs impacts on the procedures that QCF adopts in its grant making from the General Fund. The survey and focus groups gave insight to how QCF can most effectively operate in granting from its General Fund.

Our findings are that the processes of applying



for funding and acquitting grants need to be consistent with outcomes sought, complexity of funded projects and levels of funding available.

Given the lack of capacity as well as limited access to electronic resources of a large number of DGRs, QCF needs to adopt flexible methods of publicising its application process. Many will prefer to apply on-line but others need the chance to submit hard copies and others again need training in applying. The availability of QCF staff to discuss eligibility of organisations and projects, and to guide the application process, is essential. So too is an up-to-date web site as well as email communication with DGRs about changes to granting guidelines and application forms. QCF also needs to be active in seeking out DGRs undertaking work it wishes to fund and in geographic locations it wishes to benefit.

To ensure that DGRs' effort in writing applications is put to the best use, we encourage the submission of short preproposals or letters of inquiry so that ineligible organisations or inappropriate proposals will be rejected at the earliest possible stage.

We see merit in encouraging DGRs to partner and collaborate with other DGRs on projects, especially DGRs from differing sectors, but note that forcing collaboration can be unproductive. We therefore suggest that collaboration and partnering be favoured but that it be noted that equally good outcomes may be achieved by a single DGR. We encourage QCF to partner with DGRs which it may wish to fund by helping secure additional funding from other granting bodies and by acting as a knowledge broker and catalyst. It follows that QCF will do well to partner with other charitable trusts and foundations in the funding of projects. In this way, QCF's contribution goes far beyond the supplying of funds and includes the provision of knowledge, expertise and contacts, which our focus groups noted as a favoured option.

A final point relates to DGRs' reporting, evaluation and acquittal of grants. Our findings indicated the need for rational processes that took into

account the capacities of DGRs and the size and complexity of projects being funded.

Much store can be placed on the quality of DGRs' management and governance, and projects

based on capacity building can be best tested by examining the quality of management and governance.

In concluding, we can summarise our findings as follows:

Components of the Smart State	Includes vibrant heritage of philanthropy with creativity and diversity delivered by nonprofits across a multitude of services responding to human need
Challenge	QCF needs to fund the best way to play a role in the Smart State by fostering advances in philanthropy
Overview of nonprofits in Queensland	Large numbers of small organisations with limited capacity and resources; DGRs exist across the State; Welfare and rights the most heavily represented and health and research agencies the least represented; High cost of delivering services to rural, regional and remote areas due to Queensland's decentralisation, vast distances and high costs of intrastate travel
Changes impacting on DGRs	Large growth in Queensland's population with anticipated increased demand for services; Government support for the "Strengthening NGOs Project"
Suggested DGR needs for QCF to fund	Capacity building in nonprofit governance, management, fundraising; Delivery of services (especially administrative components) to rural, regional and remote areas; Equipment
Application process	Flexible, QCF to be active in seeking out DGRs and also reactive through an application process – process to suit outcomes, with full competitive grants application process suiting some activities but unsuited to applicants with niche activities in isolated regions: Use of web site, on-line application forms and use of hard copies as appropriate; Staff to be available and to be active in communicating with DGRs with special attention given to those with limited resources and those in remote areas; Use of preproposal essential
Partnerships	QCF to be a catalyst for generating knowledge, networks and partnerships; Collaboration across sectors advantageous
Reporting, evaluation and acquittal	Consistent with scope and nature of project and funding available; Examination of good management and governance is an effective strategy

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The Smart State is a colourful kaleidoscope of technological advances, natural assets and human endeavours. Nonprofits play a vital role in melding technological and creative innovation and in delivering applications that are relevant to us and enhance our quality of life. Philanthropy is a uniting force in communities, one which characterises advanced civilisations and which propels nonprofits forward in their relentless mission to make the world a better place for all. Quality of community life is essential to the development and sustainability of a Smart State and is directly dependent on the health and vitality of the community sector. A Smart State cannot be created without a vibrant, innovative nonprofit sector.

QCF can play a catalytic role in ensuring that DGRs are advanced in their missions of service delivery and in enhancing the tradition of philanthropy that has contributed, and will continue to contribute, creativity, diversity, answers to real needs, human connectedness, and solutions to the Smart State.



## Glossary

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**Ancillary Fund** is the taxation classification of most community foundations. An ancillary fund is established and maintained solely for the purpose of providing money, property or benefits to nonprofit organisations classed under the taxation laws as deductible gift recipients (DGR) or the establishment of such organisations. Grants cannot be given to individuals.

**Benefactor** is a person who donates funds to a public cause or foundation.

**Beneficiary** is a person or organisation that receives a benefit from a trust.

A **charitable institution** is an institution established and maintained for purposes that are charitable in the technical legal sense. For a purpose to fall within the technical legal meaning of “charitable” it must be:

- beneficial to the community, or deemed to be for the public benefit by legislation applying for that purpose;
- within the spirit and intent of the Statute of Elizabeth, or deemed to be charitable by legislation applying for that purpose which broadly is for:
  - the relief of poverty;
  - the advancement of education;
  - the advancement of religion;
  - other purposes beneficial to the community.

The word charity used in every day conversation may not have the same meaning as that in Australian taxation law.

**Deductible Gift Recipient** (DGR) a term used in taxation law. The main purpose of the definition is to identify organisations, funds or authorities, a gift to which may be tax deductible by the donor. It is not the same as a “charitable institution”

in Australian taxation law. Ancillary Funds are restricted to granting to this type of organisation. A list of endorsed DGRs is available through the ATO or <http://www.business.gov.au>.

**Foundation** is the term used to describe a body which makes grants for the achievement of a particular purpose or purposes. It has the characteristics of a non-membership based organisation usually founded by a trust deed, separate from the government, self-governing, nonprofit distributing and serving the public purpose rather than a narrowly defined social group or category.

**Fundraising** is the mobilisation of assets and resources from a variety of sources for a particular purpose, be it for an organisation, project or cause.

**Nonprofit Organisations** do not distribute their surplus to those who own or control them, but use it to further achieve their mission. The term is often used interchangeably with not-for-profit, voluntary association, Non Government Organisation or third sector organisation.

**Philanthropy** refers to the use of personal wealth and skills for the benefit of specific public causes. Philanthropy, derived from the Greek, means love for humankind. Philanthropy in the form of monetary donations represents about 6.4% of Australian nonprofit revenues, whereas in USA it represents 20%.





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## Notes

This image shows a blank sheet of white paper with horizontal ruling lines. The lines are evenly spaced and extend across the width of the page. There are two distinct rectangular areas shaded in light gray: one in the top-left corner and another in the bottom-left corner. A faint, curved vertical line runs down the right side of the page, slightly offset from the edge.

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## Notes

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