



PHILANTHROPY  
*Australia*

# PPFs: “Success to Significance”

Gina Anderson

Philanthropy Australia

Sydney, 1 June 2009



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# Philanthropy Australia

## What we do

Philanthropy Australia is the national peak body for philanthropy and is a non-profit membership organisation. Our members are trusts and foundations, organisations, families and individuals who want to make a difference through their own philanthropy and to encourage others to become philanthropists.

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

[www.philanthropy.org.au](http://www.philanthropy.org.au) [www.philanthropywiki.org.au](http://www.philanthropywiki.org.au)  
[ppf.philanthropy.org.au](http://ppf.philanthropy.org.au)

## Philanthropy

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



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# Federal Government Review

## “Improving the Integrity of PPFs”

- **May 08 - Treasurer announced Budget measure**
  - Review “Improving the Integrity of PPFs”
  - Implementation to take effect 1 July 2009
- **August 08 - Philanthropy Australia begins discussions with Treasury**
- **28 November 08 - Discussion paper launched with submissions due 14 January 09**
  - 138 Submissions
  - Key issues: minimum distribution rate; public disclosure
- **14 May 09 - Exposure Draft Legislation with responses due 29 May 09**
  - No guidelines so difficult to comment
  - Grandfathering
  - Personal liability
  - Technical legal issues related to corporate trustees
- **Guidelines will not be issued for another couple of weeks.**



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# 5 Purposes of Philanthropy

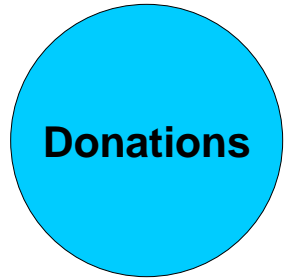
## Frumkin's 5 Purposes (or drivers) of Philanthropy:

- **Change:** Using private funds to create social and public policy change
- **Innovation:** Locating and supporting important social innovations
- **Equity:** Striving for economic equity through re-distributive giving
- **Pluralism:** Supporting the civic virtue of pluralism
- **Expression:** Supporting the self-actualization of donors

**“Strategic Giving: The Art and Science of Philanthropy”** by Peter Frumkin, Professor of Public Affairs and Director, RGK Center for Philanthropy and Community Service, Lyndon B Johnson School of Public Affairs, University of Texas



# Five Steps of Philanthropy



**Donations**

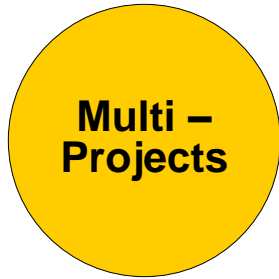
**1**

**Giving**

- Responds to requests for assistance
- Funds for crisis relief
- Ad hoc donations

**Assumes**

- Acceptance of wealth
- Issues on passing wealth on and giving it away resolved
- Conscious decision to engage in social fabric and civil society issues



**Multi – Projects**

**2**

**First step to philanthropy**

- Organised
- Keeps track of gifts
- Establishes mechanism structured giving
- Often wide small grants program
- Short term focus
- Often overwhelmed by large number of requests



**Search for Focus**

**3**

**Circuit Breaker**

- Questioning – Are we Making a difference? What are others doing? Are we on the right path?
- Often employ a staff member for first time or get external advice
- Articulate strategy & mission
- Fund fewer specific issues
- Proactive in seeking projects & organisations that meet criteria
- **For new philanthropists, usually takes about 4-5 years from Step 2 to Step 3**



**Strategic & Professional**

**4**

**May operate at Steps 4 & 5 in one area & Step 1 & 2 in other areas**

- Sophisticated & professional
- Often some large multi-year grants
- Engaged philanthropy
- Longer term focus on issues & results
- Help NFPOs grow
- May establish new programs or organisations that fill a gap in an important area
- Stewardship

**Philanthropy becomes the most important & satisfying part of who you are & what you do**



**Social Innovation & Public Policy**

**5**

- Sophisticated & Professional
- Building Scale
- Recasting issue for systemic change
- Seeks and fund ways to leverage own resources through research, advocacy, networks, collaboration and partnership cross-sector
- Stewardship



**Grant-making**

**primarily giving money & some time**

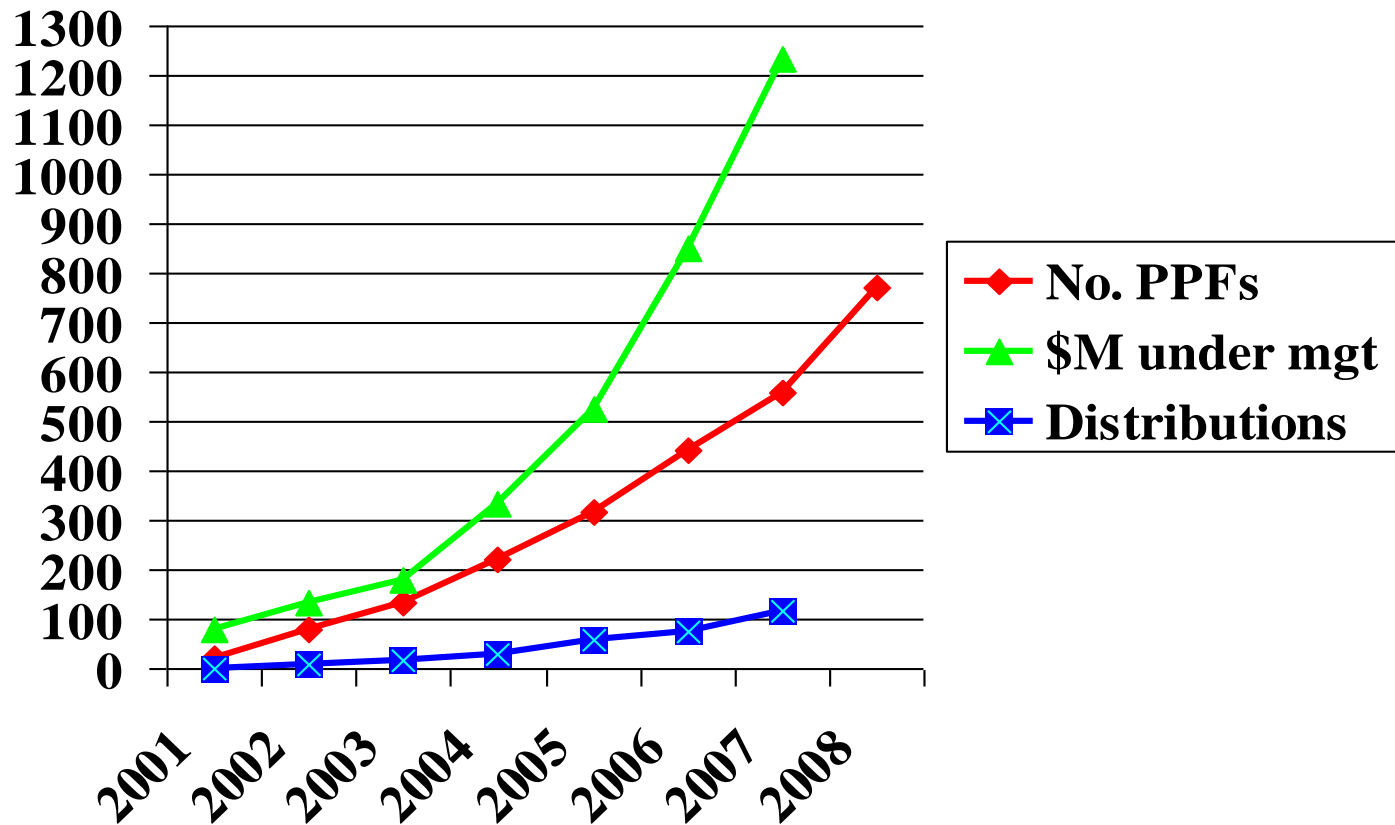
**Social Investment**

**giving money, time, information, skills, goods, services, voice & influence**



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# Growth of PPFs: 769 at July 08

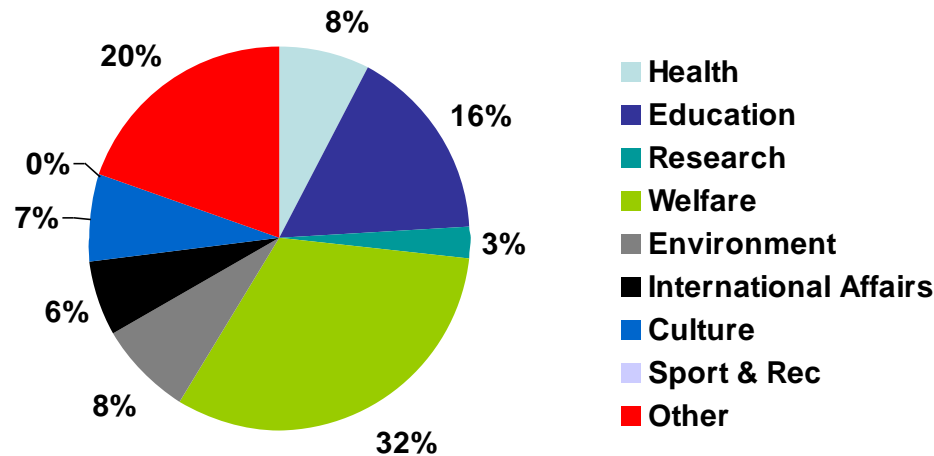


Source: Professor Myles McGregor-Lowndes, Centre for Philanthropy & Nonprofit Studies, Queensland University of Technology

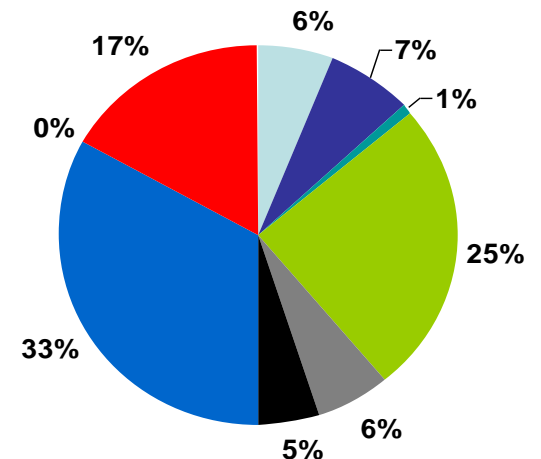


# Distributions by PPFs by Category of Recipient

2006 Distributions by 440 PPFs  
\$74.2 m



2007 Distributions by 599 PPFs  
\$117.0 m





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# Enormous Influence of PPFs

- **Filled a gap** in the structures which **facilitated additional giving** rather than redirection of existing activity.
- **Catalyst for donors to become engaged with the community sector**
- Majority of **PPF donors relatively new to structured giving**
- Professional advisors **more willing to talk about philanthropy** with their HNW clients
- PPF has become the “**family glue**” building intergenerational commitment to the community
- Big supporter of **social innovation.**



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*Australia*

# Contact Information

Level 10, 530 Collins St  
Melbourne Victoria 3000  
Australia

Tel (61 3) 9620 0200  
Fax (61 3) 9620 0199

[info@philanthropy.org.au](mailto:info@philanthropy.org.au)  
[www.philanthropy.org.au](http://www.philanthropy.org.au)  
[ppf.philanthropy.org.au](http://ppf.philanthropy.org.au)

Level 4, 105 Pitt Street  
Sydney NSW 2000  
Australia

Tel (61 2) 9223 0155  
Fax (61 2) 9223 0877

Assn. No. A0014980T  
ABN 79 578 875 531