



Community Foundations in Australia: a Blueprint for Growth

THE CASE FOR SUPPORTING PLACE-BASED
GRASSROOTS PHILANTHROPY



Australian Community Philanthropy





Australian Community Philanthropy acknowledges the traditional custodians of the country where we and our Community Foundation members operate. We recognise their continuing connection to land, waters and culture and pay our respects to their Elders past, present and emerging.

Acknowledgments

Australian Community Philanthropy (ACP) acknowledges with sincere appreciation the generous support from **Gandel Philanthropy** and the **Lord Mayor's Charitable Foundation** that has made this work possible, and their on-going support for ACP and the Community Foundation sector.

Sincere thanks to everyone who generously contributed information and insights to this project.

This work is dedicated to the vision and tireless work of the pioneers of the Community Foundation movement in Australia.





Contents

Preamble	1
Summary.....	2
Community philanthropy in disaster response and recovery.....	6
About Community Foundations.....	7
How Community Foundations grow.....	10
Community Foundations in Australia.....	12
Sector size and growth over time	14
Australia's Community Foundations, by establishment year	15
Reflections on slowing growth.....	16
Community Foundation success factors	18
Location	19
Assets, Capability and Trust.....	22
Assets.....	22
Capability.....	23
Trust.....	23
The role of Philanthropy Support Organisations	25
Community Foundation sector support in Australia.....	26
Australian Community Philanthropy (ACP).....	29
Purpose	29
Membership	29
Programs.....	29
Resourcing.....	30
Challenges for ACP.....	32
ACP strategic direction	34
Overview of ACP's Strategic Direction	35
The importance of Sector Building.....	35
Need for investment	36
ACP high-level plan for sector and organisational growth to 2025	37
Support for growth.....	38
Summary and conclusion	39
Appendix.....	40
Opportunities for the Community Foundation sector.....	41
Bibliography.....	46

Preamble

Community Foundations in Australia: Blueprint for Growth', generously supported by the Lord Mayor's Charitable Foundation and Gandel Philanthropy, is an initiative of Australian Community Philanthropy (ACP), the peak organisation for Australia's Community Foundations.

The work was completed in two phases: research and writing throughout 2019 resulted in a report that was intended to be published early in 2020.

The unprecedented bushfires of January 2020 devastated many communities along the country's south eastern seaboard, including some that have active Community Foundations. Our members' and ACP's priorities changed. It was a time of tremendous challenge that required urgent engagement with stakeholders in fire affected areas. The 'Blueprint' report remained unpublished.

In the summer of 2019/20, our communities learned a great deal about the need for community leadership and the value of local philanthropic infrastructure to help direct disaster response and support for recovery to where it is most needed in communities on the ground.

By the end of February, the fires turned from live emergency to background news and then receded from view for people living outside directly affected areas while the global coronavirus pandemic began to capture public attention.¹

In Australia as elsewhere, governments responded to the COVID-19 health crisis by imposing drastic restrictions on social, cultural and commercial life, in turn prompting an economic crisis. While government is also providing significant economic stimulus and rescue packages, it is clear that many people will suffer substantial hardship as a result

of the economic shutdown, with vulnerable populations disproportionately affected.

Natural disasters like the 2020 bushfires are locally specific, while the pandemic is national and global leaving people all around the country (and indeed, the world) in need of extra support.

Never has there been a greater need for grassroots leadership to ensure that the key pillars of community philanthropy - assets, capability and trust - are brought to bear in responding to this pandemic, and the fires before it, and the long-term recovery from both.

Releasing this report without reference to either the bushfires or the pandemic would have rendered it less relevant and useful than we believe it should be as a framework for thinking about the future of community foundations in Australia.

Amendments to this report made in March/April 2020 draw attention to these emergencies only at high level to highlight that Community Foundations have a vital role to play in emergency response and recovery and in building resilient communities. **'Blueprint for Growth'** is not an in-depth look at Community Foundations in the bushfire crisis or pandemic response. That study will have to be written at some time in the future.

Gerlinde Scholz
Executive Officer,
Australian Community Philanthropy

April 2020

¹ Global coronavirus (COVID-19) pandemic declared by WHO on 11 March 2020.



Summary

'Community Foundations in Australia: a Blueprint for Growth presents an overview of the development of Community Foundations in Australia to date and the current state of the sector.

It also considers the infrastructure support Community Foundations have been able to draw on to date to help them build organisational and network capacity.

'Blueprint for Growth' then looks to some opportunities that are emerging for the Community Foundation sector in Australia and suggests that with some targeted investment, sector growth and capacity building can be accelerated.

Community Foundations are community-owned and -managed, often place-based charitable funds. They bring people together to create a structure and resource base that enable them to play an active part in determining their future in the place they call home. Community Foundations are a form of philanthropic infrastructure that fosters community engagement and civil society at a local level; this is today arguably more important than ever.

Originally developed in the USA more than a hundred year ago, the Community Foundation model has proved attractive and adaptable around the world. It is becoming more popular among grassroots communities as participatory democracy and civil society institutions in many countries are coming under pressure through technological change, growing socio-economic inequality and increasing 'tribalism' and identity politics.

In Australia, the Community Foundation sector is still emerging. It is relatively small with 40 such foundations currently operating, and relatively young with 90% of those foundations less than 20 years old and nearly one third

established only within the last decade. Four out of five of them are based in regional communities, making Community Foundations a unique part of the philanthropy ecosystem. The sector's asset base and annual distributions to support projects and organisations in local communities are showing solid growth.

Over the next five years, 20 Community Foundations – 50% of the sector – will mark their 20th anniversaries. By 2025, Community Foundations will have changed from an emerging to a maturing sector with 60% of them having reached their 20-year milestone. The next five years will present many opportunities for accelerated growth and impact for Australia's Community Foundations, not least due to their key role in responding to the major crises the country is experiencing.

The major expansion phase for this sector in Australia was from 2000 – 2009 when generous support was provided by philanthropy and government; 25 Community Foundations were established during that decade. Evidence from Canada, the United Kingdom and New Zealand strongly suggests that sector development and structured support for this development, often coordinated through a support organisation, march together.

A dedicated support organisation for Community Foundations took a little while to emerge. Australian Community Philanthropy (ACP) was established late in 2007. It evolved initially quite slowly from a very lean resource base into a peak body that today serves a loyal membership of 80% of Community Foundations.

ACP supports its members' capacity building and Community Foundation practitioners' skills development, connects members with each other, advocates for policy reform on behalf of the sector, and builds public awareness and profile for Community Foundations.

A dedicated group of philanthropy partners, including ACP's leading members Lord Mayor's Charitable Foundation and Australian Communities Foundation, generously contribute regular financial and in-kind support to make this work possible. This is greatly appreciated by ACP and the Community Foundations that are the ultimate beneficiaries. Nonetheless, ACP remains a micro organisation that continues to operate from a modest resource base.²

'**Blueprint for Growth**' proposes that investment in resourcing capacity building for ACP is an effective way to strengthen the Community Foundation sector nation-wide and is ultimately an investment in Australia's civil society. A more capable ACP will be able to accelerate growth and capacity building among Foundations on the ground to help them increase access to opportunity and improved life outcomes in their communities. This is not only important; as the pandemic crisis continues to unfold around us in this first half of 2020, we realise that it is also urgent.

Australia is living through the aftermath of prolonged drought, followed by a bushfire

season of unprecedented ferocity that left enormous environmental, economic and psychological trauma in its wake. Communities traumatised by fire will need a great deal of support over many years as they recover. Barely six weeks after the fires were extinguished, they were getting very little public attention as the country tried to come to grips with the COVID-19 pandemic.

These emergencies are challenging communities, governments and philanthropy, including the collective of Community Foundations, to consider how they can support citizens and the not-for-profit sector.

Philanthropy Australia released this statement on 17 March 2020:

'The need for more and better philanthropy in Australia has never been more profound as our community grapples with the double challenge of managing COVID-19 (coronavirus) while still very much feeling the loss, impact and reality of the fires and floods we experienced over summer.'³

² According to the Australian Taxation Office, a micro organisation has four or fewer employees.

³ <https://www.philanthropy.org.au/tools-resources/news/philanthropy-australia-covid-19-statement/>



This is a moment for Community Foundations to both respond and lead. There is tremendous opportunity for collaborative and connected approaches, particularly as the rules of social and economic engagement appear more open to re-negotiation in the pandemic context than before.

'Blueprint for Growth' sets out some emerging opportunities for Community Foundations working together with coordination and leadership from ACP as the sector is beginning to mature and community philanthropy is increasingly recognised as a powerful grassroots response to the challenges we face.

Natural disasters and the COVID-19 pandemic are vividly illustrating our interconnectedness and interdependence, our need for solidarity and acting for the common good.

The pandemic is also demonstrating that governments and societies are able to

respond in constructive, collaborative and compassionate ways to complex issues where there is the political will to do so.

Community Foundations are not just money-raisers, they are also bridge-builders and trust-builders.⁴ Their social capital is vital for partnering with philanthropy, government and not-for-profit service providers to ensure better outcomes on the ground as our society recovers from these emergencies.

There are many options for supporters of community philanthropy to get involved with strengthening Australia's Community Foundation network for greater collective impact and helping ACP to catalyse this development.

'Blueprint for Growth' invites you to consider the possibilities and become involved. The time is now.

⁴ WINGS, The Global Landscape of Philanthropy, January 2018, p. 30

Overview

Community Foundations bring together democracy and philanthropy.

Private foundations are traditionally vehicles for the personal philanthropy of exceptionally wealthy individuals or families.

By contrast, *'(t)he Community Foundation is an ideal way for people from all walks of life to help build a permanent resource for their community'*, according to Steven A. Minter, president of the Cleveland Foundation.⁵

The Cleveland Foundation was the world's first Community Foundation, established in 1914 by banker Frederick H. Goff when he was president of the Cleveland Trust Company, as *'an alternative to private foundations so that people of modest means could respond collectively to the needs of their neighbors'*.⁶

Goff was also looking for a way of releasing stagnant assets in private charitable trusts that had lost their usefulness over time without breaking trust with donors and providing efficient, unified management.⁷

The original idea may have been about a pragmatic solution to a fiduciary management problem, but the Community Foundation model caught on in the USA and soon after in Canada also as a response to *'increasing centralisation of power to the perceived detriment of local autonomy'*.⁸

Community Foundations have since become a global phenomenon. There were 1,874 such foundations worldwide in 2014 with almost three quarters of them (73%) in just three countries: the USA (800), Germany (375) and Canada (191).⁹

Growth of the Community Foundation sector globally accelerated in the 21st century. While it took 85 years for the number to reach 1,000 by 1999/2000, it only took another 14 years for the sector to grow by a further 87%. The reasons for this rapid growth in recent years include *'local people in more and more places seeking this means of bettering their communities in the face of political turmoil or governmental dysfunction'* and (re) building civil society against a background of political and socio-economic upheaval.¹⁰

It is no accident that Eastern Europe, Africa and Asia have been the most dynamic regions for growth in the number of newly established Community Foundations in recent years, while Germany since reunification has been the leader of Community Foundation growth in Europe. In Australia, Community Foundations make up a relatively small and still emerging part of the philanthropic sector.

Community Foundations in Australia: a Blueprint for Growth starts from the premise that Community Foundations offer a useful model for engaging communities in local problem-solving and development, in becoming more self-reliant, sustainable and resilient. It briefly traces the evolution of Community Foundations in Australia to date and explores options for interventions to help build momentum for further growth of this sector.

⁵ Quoted in *Sowing the Seeds of Local Philanthropy: Two Decades in the Field of Community Foundations*, Charles Stewart Mott Foundation, March 2001, p.6

⁶ *ibid.*

⁷ Leat, D. *The Development of Community Foundations in Australia. Recreating the American Dream.* © QUT 2004, p. 9

⁸ *ibid.*, p. 14

⁹ <http://communityfoundationatlas.org/>

¹⁰ Knight, B: *Community Foundation Atlas – Dimensions of the Field*, 2014.



Community philanthropy in disaster response and recovery

Community philanthropy has an essential role in emergency response, recovery, rebuilding and fostering community resilience for the future.

When a large-scale natural disaster strikes or other emergency (for instance, a terror attack) occurs, help will usually be required at a level that involves government and major multinational NGO charities, such as the Red Cross. They have the necessary resources and relevant, albeit generic, experience in deploying disaster assistance, especially in the immediate aftermath when lifesaving first response is required.

Longer-term interventions to support rebuilding, recovery and community resilience usually require local knowledge and relationships to make a lasting difference. Community Foundations are ideally placed to play this role.

Community Foundation leaders are locals; they live and work in the place that has been affected. They understand first-hand the community's priority needs and those that emerge over time for rebuilding physical, economic and social infrastructure, or mental health support, for instance. A Community Foundation is there for the long haul; it will

continue to work in that community long after the media, politicians and major charities have moved on to the next issue.

The effectiveness of Community Foundations responding to an emergency or disaster on the ground can be amplified by an effective peak body acting as champion and advocate for the sector and coordinating multilateral initiatives. The role of peak organisation UK Community Foundations in harnessing a national COVID-19 response to channel resources to local communities is a prime example of this. In the UK, the National Emergencies Trust launched a public COVID-19 emergency appeal and engaged UKCF to act as the 'distribution network' for incoming donations. The appeal raised GBP17.5 million in its first month; more than GBP8 million (47%) of this was distributed by the end of that month through community foundations to over 2,500 local charities around the country.¹¹ That is an extraordinarily rapid response that many charities would find challenging to replicate.

In the Australian context, the link between Community Foundations and disaster response is very important and is explored further in a later chapter.

¹¹ <https://www.ukcommunityfoundations.org/news-article/the-net-appeal-one-month-in>



About Community Foundations

A Community Foundation is a place-based, community-owned and -managed charity that brings people together to tackle local issues and gives them a voice in their future.

'The simplicity and the power that underlies the Community Foundation concept... is to create a local vehicle that can empower the residents of a community to support causes close to home and close to the heart.'

Charles Stuart Mott Foundation 2012 Annual Report, p.7

Essentially, Community Foundations build assets, capacity, and trust within a community to strengthen local development for all. While no two are the same, most share a number of key characteristics:

- They are grant making, public charities
- They operate within a defined geographic area
- They raise money and serve needs of all citizens within the community
- They identify and aim to solve local challenges
- They attract funds from many donors with a wide array of interests
- They enjoy strong relationships with local governments and other decision makers.¹²

Community Foundations also strive to grow philanthropy in their regions. Local empowerment, community ownership and leadership, and a focus on place-based social change are all central to the concept, ethos and modus operandi of Community Foundations.¹³

Community Foundations build social infrastructure, and most are dedicated to building a permanent community asset. They make grants to support local charities and service providers and foster community leadership.

Asset-building and community-building are complementary objectives for most Community Foundations. Focus on a community-driven agenda is the unique value proposition of this sector.

Community Foundations themselves express succinctly what they are about and why it is important in two widely used statements: *"Give where you live"*, which emphasises the place-based nature of many community foundations; and *"Connecting people who care to causes that matter"*, which highlights participation and people having a say over their communities' priorities.

¹² Ross, N.: *Local Leadership, Global Impact: Community Foundations and the Sustainable Development Goals*, Council on Foundations, 2018, p.11

¹³ Sacks, E.: *The Growth of Community Foundations around the World*. Council on Foundations, 2000. See also CS Mott Foundation, *Sowing the seeds*, op.cit.; Fuller, E. 'Unlocking the potential of Australian Community Foundations', 2014



Community Foundations are important to their constituents not only because of what they do, but because of **how** they work.

Community Foundations are one form of organisation *structure* that provides a framework for the practice of community philanthropy. Community philanthropy is a *process* and is considered by some a universal human practice. It has its origins in long-held traditional practices of exchange, mutual aid, solidarity, and community development. 'Local people helping each other by sharing resources for the common good'.¹⁴

Ideally, every Community Foundation should be a community philanthropy organisation embodying the norms and values that characterise community philanthropy such as reciprocity, solidarity, social cohesion, self-reliance, and interdependence.¹⁵

Community philanthropy creates a sense of belonging in a world that increasingly alienates and marginalises people particularly at the geographic margins of the world's main centres of economic and political power and decision-

making. These places include many regional communities in Western democracies and the 'global south'; places where the growth of Community Foundations today is strongest.

Community Foundations, like other community philanthropy organisations, build community agency, power and voice. They start from the premise that local assets - knowledge, skills, networks, volunteer time and energy, as well as financial resources - can be pooled to build a democratic, grassroots and often place-based approach to community development. It is about people having a voice in determining their future and a sense of ownership and shared responsibility for addressing the issues that matter most to them.¹⁶

Community Foundations respect local knowledge and connections, invite grassroots involvement and leadership, and emphasise collaboration, solidarity and inclusiveness. They offer a constructive alternative to community disengagement, helping to build and strengthen civil society.

Community Foundations...are always about creating inclusive spaces for engaged citizens to develop and take up ideas for the good of all, pool resources and create local impact.

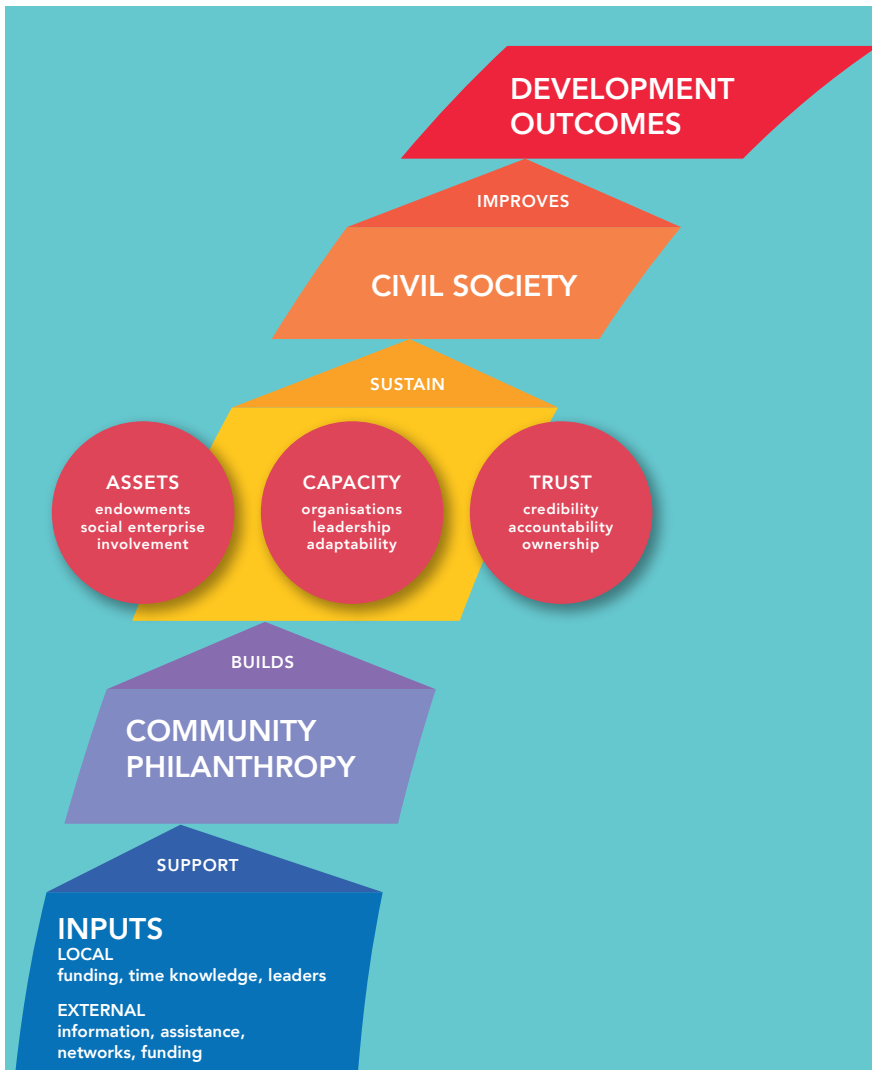
Building Bridges for Local Good. A Guide to Community Foundations in Europe.

¹⁴ Doan, D.R.H.: *What is community philanthropy?* Global Fund for Community Foundations, Johannesburg, August 2019, p.4-5

¹⁵ *ibid.*

¹⁶ Hodgson, J. & Pond, A.: *How Community Philanthropy Shifts Power.* GrantCraft Leadership Series, © 2018 Foundation Center

The graphic illustrates the logic model:



Source: Charles Stewart Mott Foundation, *The Case for Community Philanthropy*, Dec.2013, p.5

Building links within a community to foster trust and to stimulate a culture of local philanthropy is a defining role for community foundations. They encourage people to become more active in their communities' development, do things for themselves, overcome apathy and civic disengagement and 'get people to take charge of their lives'.¹⁷

Community Foundations are building social capital in the communities they serve...promoting citizen engagement and increasing community trust.¹⁸

A community foundation offers people an opportunity to contribute to their local community and have a say in the direction of its development. This includes comparatively disadvantaged communities where people may have become used to being receivers of external assistance from the government or philanthropy, often without much consultation. Having their voice heard, their views respected and becoming involved in finding solutions to local issues is an unusual experience in marginalised communities and is potentially transformative. This is key to the power and value of the community philanthropy model.

¹⁷ Hodgson, J. and Knight, B.: More than the Poor Cousin? The emergence of community foundations as the new development paradigm, Global Fund for Community Foundations, June 2010, p.8

¹⁸ ibid.



How Community Foundations grow

Most Community Foundations are building a financial asset for use in perpetuity by the communities they serve. They accumulate and invest donations they receive, using only a proportion of investment earnings to make grants. A Community Foundation's corpus grows through new contributions regularly adding to the corpus, funds under management earning investment income, and some of the investment returns being re-invested. This process can take some time to create a resource base for an independently sustainable organisation.

Many Community Foundations offer their donors the option of establishing named sub-funds (known as 'Donor Advised Funds' in the USA and Canada). A sub-fund is a form of 'giving account' that sits within a larger public foundation, an alternative to the donor establishing a separate private foundation. It is easier and faster to establish than a separate foundation and donors do not need to concern themselves with meeting regulatory requirements or managing investment of assets, which is taken care of by the provider. Sub-funds are particularly attractive to donors who want to focus first and foremost on giving.¹⁹

Managing sub-funds puts a Community Foundation in the role of a philanthropic intermediary and fund manager, providing an

alternative to commercial wealth managers and trustee companies. The Community Foundation value proposition for the donor is a values-alignment between the interests of the donor and the Foundation and support the Foundation can offer to amplify the impact of giving, for example by bringing together sub-fund holders to pool resources for bigger grants in areas of common interest.

Research suggests that Community Foundations that focus on donor service to attract more sub-fund donors and to encourage those who already have a fund to keep adding to it will achieve stronger growth in funds under management in a shorter period of time than Foundations that focus on community need.²⁰

It is a matter of debate within the community philanthropy sector how Community Foundations should prioritise between their community leadership role and donor service.²¹

In a speech entitled '*The Road Not Yet Traveled: A Community Foundation Movement for Social Justice*'²² Emmett Carson, who at the time was CEO of the Minneapolis Foundation and Chair of the U.S. Council on Foundations, asserted that

'Several years ago, American Community Foundations began to focus on fund development for the purpose of building assets, rather than building community.'

¹⁹ Seibert, K.: *Snapshot of Sub-funds in Australia*, CSI Swinburne, March 2019. https://researchbank.swinburne.edu.au/file/68f5d8fa-1441-42b6-b73d-939e70a2e354/1/2019-seibert-snapshot_of_sub-funds.pdf

²⁰ See e.g. Hamilton, Parzen and Brown, *Community Change Makers: the Leadership Roles of Community Foundations*, Chapin Hall discussion paper, 2004. James Irvine Foundation: *Growing Smarter. Achieving sustainability in emerging Community Foundations*, 2007. Bentley and Webster: '*Leadership and the Lifecycles*'. Date unknown.

²¹ E.g. Doan, op.cit., p.5: '*In reality, some Community Foundations have found themselves deferring to funders at the expense of their mission, while many others have found themselves focusing on their own organization's survival at the expense of the needs of communities they were set-up to serve.*'

²² Carson, E.D.: '*The Road Not Yet Traveled: A Community Foundation Movement for Social Justice*', presented at Community Foundations: Symposium on a Global Movement, Berlin, Germany, December 4, 2004. The following paragraphs draw on pp 5-8 of the speech.

In his view, this turned Community Foundation into little more than “charitable bankers”.

“Community Foundations do need to raise resources. However, an industry raises resources to protect market share, while a movement raises money to achieve a larger purpose.”

The larger purpose, according to Carson, is social justice. For Community Foundations worldwide to become a movement, they would need to

“affirm that the larger purpose of Community Foundations is to be social change agents with a distinctive

competence in building civil society and translating the abstract concept of the common good into tangible examples.”²³

Today, some 15 years on from that speech, there is a lively debate among community philanthropy practitioners about ‘shifting the power’ and about social justice as a key aspect of this work.²⁴

This important debate is about purpose and values as much as it is about business models and is yet to emerge prominently as a conversation for the Community Foundation sector in Australia.

²³ Ibid, p.14

²⁴ E.g. Hodgson, J. & Pond, A.: *How Community Philanthropy Shifts Power*. GrantCraft Leadership Series, 2018 Foundation Center



Community Foundations in Australia

Community Foundations in Australia use a range of different legal structures.²⁵

The Constitution of Australian Community Philanthropy, the peak body for community foundations in Australia, defines “Community Foundation” as an incorporated body with the following characteristics:

- 1 it is charitable;
- 2 it engages in community building activities and may also make grants, usually for a defined geographic region;
- 3 the directors and members are connected to the relevant geographic region;
- 4 it is able to support a broad range of charitable purposes; and
- 5 it is supported by a number of donors²⁶

In essence, community foundations are community-owned and-managed and accountable to their community; independent of government, corporate or other not-for-profit entities; and focused on solving local issues with the help of inputs from the local community – time, money, knowledge, relationships and so on.

Australia’s Community Foundation sector is still relatively small with 40 such foundations currently operating, and relatively young with 90% of those foundations less than 20 years old in 2020. Four out of five of them are based in regional communities, making Community Foundations a unique part of the philanthropy ecosystem. The sector’s asset base and annual distributions to support projects and organisations in local communities are showing solid growth.

Community Foundations and natural disasters

Natural disasters have been the main historical driver of rises in philanthropy in Australia.²⁷ As they tend to impact regional communities more than metropolitan areas, natural disasters have also provided significant impetus for the growth of the Community Foundation sector in Australia.

In the context of the Millennium drought, the Foundation for Rural and Regional Renewal (FRRR) in partnership with state and federal Governments and philanthropy, played a key role in supporting the establishment of 15 rural Community Foundations as place-based philanthropic vehicles within the first decade after 2000.²⁸

Following the Black Saturday bushfires in Victoria in 2009, funding from the Victorian Bushfire Appeal Fund was allocated by the state government and distributed via FRRR to seed five new Community Foundations in some of the places severely impacted by those fires.

FRRR is a recognised philanthropy leader and a key partner for governments in Australian disaster response. It provides funding and know-how to affected communities, a link to government support efforts, partners with other funders, and shares best practice locally and internationally.²⁹

²⁵ Arkles, L. ‘Mapping the Community Foundations Movement. Final report. ACP, 2014

²⁶ Prepared by Herbert Smith Freehills; clause 14.1, p.19

²⁷ McLeod, J.: *Where to from here? The outlook for philanthropy during COVID-19*. JB Were, April 2020, p.2

²⁸ FRRR, Catherine Brown & Associates P/L: *Community Foundation Success Factors*. Research Project Report, Nov. 2005, p.2 also: *FRRR Impact Report*, p. 18. FRRR itself was established in 1999/2000 as a joint initiative between government and philanthropy in response to regional decline at the time of the worst drought in Australia’s history.

²⁹ E.g. *Lessons in disaster recovery. Learning from FRRR’s response to the 2009 Victorian Bushfires*. FRRR, 2012. This publication is cited as a source in ‘*When disaster strikes: a guide for community foundations*’ published by Community Foundations of Canada (2017) and a publication under the same title released by Philanthropy New Zealand in 2019.

It is too early to tell whether the unprecedented 2019-20 fires that impacted large areas of regional New South Wales, Victoria and parts of South Australia will lead to any new Community Foundations being established with support from the many millions donated from around the world in a very generous public response to the fires.

The seven Community Foundations that work in this year's frontline fire communities - Border Trust, Into Our Hands, Mumbulla Foundation, Northern Rivers Community Foundation, Southern Highlands Foundation, Community Foundation for Tumut Region and Upper Murray Innovation Foundation in Corryong - cover only a small part of the burnt regions. Many devastated communities, prominently including Mallacoota in Victoria and Kangaroo Island in South Australia, do not have access to this kind of community infrastructure to support their recovery and rebuilding. For communities with and those without Community Foundations, FRRR will be an essential partner to support recovery, rebuilding and future resilience.

The Community Foundation for Tumut Region offers a case study how a Community Foundation can make a difference. This Foundation had been largely inactive in recent years. Its financial reports show donations income in the order of \$1,400 one year, \$2,500 the next. When the region was severely impacted by the January 2020 Dunns Road fire, the Community Foundation opened an appeal which raised more than \$200,000 in a matter of weeks. This will be used as 'flow-through' funding to assist local people, providing support in the form of vouchers to be redeemed at local businesses.

Not every impacted Community Foundation has had as strong a financial response to their

fire appeals as in Tumut Region, but all fire affected Foundations are deeply involved in their communities' planning for recovery and on-going resource mobilisation. As FRRR, the Victorian Black Saturday 'bushfire foundations' and any community impacted by disaster can attest, this will continue for many years to come.

At around the time the fires were extinguished in March 2020, the coronavirus pandemic was taking hold around the world and commanding political, public and media attention. In its wake, the bushfire emergency all but disappeared from public view and consciousness.

The social and economic crisis precipitated by the shut-down measures in response to the pandemic is affecting all of Australia.

The Community Foundation sector's response to the COVID-19 crisis is still emerging. Some are conducting special appeals for COVID-19 relief funding, others have started distributing grants from their invested corpus to ensure a quick response. All Community Foundations are working hard to assess local priority needs, adjusting their granting and reporting requirements and timelines to reduce pressure on grantees, and respond with funding and social support as best they can while observing physical distancing and other public health requirements.

As an international observer has commented:

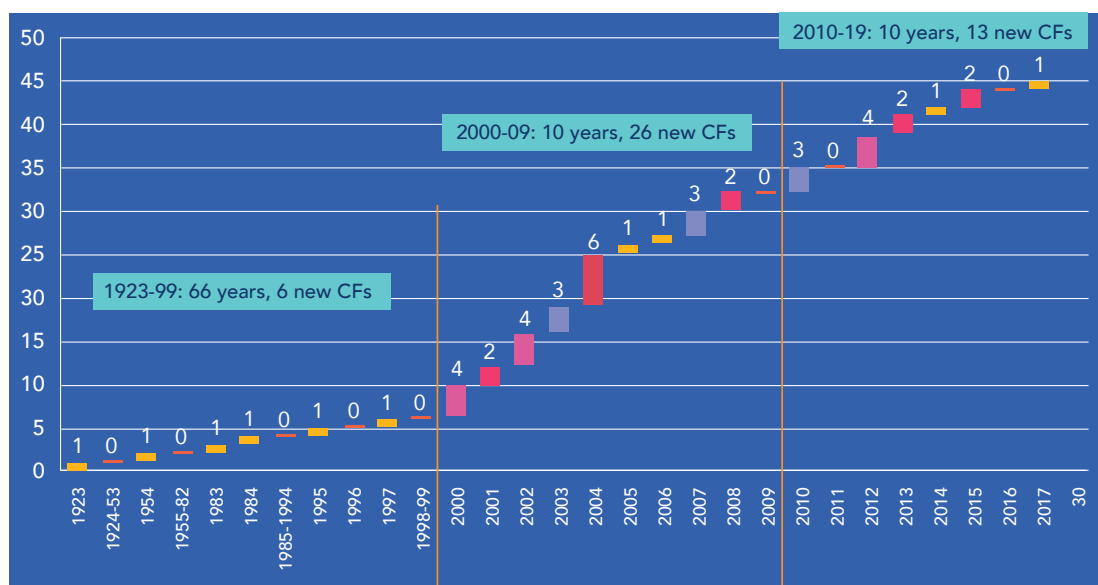
*"The Coronavirus crisis is impacting community foundations in two ways – it is realising their potential to mobilise resources and reach people in need quickly, but it is also seriously testing their resilience."*³⁰

³⁰ 'A pivotal moment for community foundations', J. Magowan, <https://www.alliancemagazine.org/blog/a-pivotal-moment-for-community-foundations/>



Sector size and growth over time

There are 40 independent Community Foundations operating in Australia in 2020.³¹ The four oldest still operating today date back to the 20th century, while 90% [n=36] of them were established in 2000 or later. Since 2010, new foundations have been created at about half the rate of the preceding decade.



NB: total exceeds 40, as a small number of foundations have ceased to operate.

Over the next five years, twenty Community Foundations will mark their 20th anniversaries with 60% of the sector due to have reached their 20-year milestone by 2025.

Longevity is important for Community Foundations as there is a strong correlation between a foundation’s age and corpus size. Community Foundations typically apply a percentage of total funds invested as a fee

for fund management services to resource foundation operations. Therefore, growth of assets under management will eventually lead to self-sustaining growth.

It is commonly agreed within the sector that it takes around 25-30 years for a community foundation to reach a point where it enters this ‘virtuous cycle of growth’.³²

³¹ See list next page.

³² Refer to note 19 for relevant references.

Australia's Community Foundations, by establishment year

Name	State	Established	End year (where applicable)	Comment
Lord Mayor's Charitable Foundation	VIC	1923		
Give Where You Live Foundation	VIC	1953		
Victorian Community Foundation	VIC	1983		now an Equity Trustees sub-fund
Upper Murray Innovation Foundation	VIC	1984		
Tasmanian Community Foundation	TAS	1995	2015	
Australian Communities Foundation	VIC	1997		established as Melbourne CF
Foundation Broken Hill	NSW	2000		
Geelong Community Foundation	VIC	2000		
Mumbulla Foundation	NSW	2000		
Ballarat Foundation	VIC	2001		
Mackay Foundation	QLD	2001		
Southern Highlands Foundation	NSW	2001		
Tomorrow Today Foundation	VIC	2001		
Community Foundation for Central Victoria	VIC	2002		
Bass Coast Community Foundation	VIC	2003		
Foundation Barossa	SA	2003		
Northern Rivers Community Foundation	NSW	2003		
Sydney Community Foundation	NSW	2003		
WA Community Foundation	WA	2003	2015	
Border Trust (CF for Albury Wodonga)	NSW	2004		
Casey Cardinia Foundation	VIC	2004		
Community Foundation for Tumut Region	NSW	2004		
Eyre Peninsula Community Foundation	SA	2004		
Stand Like Stone Foundation	SA	2004		
Hunter Community Foundation	NSW	2006	2017	
Inner North Community Foundation	VIC	2007		
South West Community Foundation	VIC	2007		
Wangaratta & District Community Foundation	VIC	2007	2015	
Buderim Foundation	QLD	2009		
Fleurieu Community Foundation	SA	2010		
Fremantle Foundation	WA	2010		
Mirboo North & District Community Foundation	VIC	2010		
Denmark Community Foundation	WA	2011		
Hands Across Canberra	ACT	2012		
Into Our Hands Foundation	VIC	2012		
Kinglake Ranges Foundation	VIC	2012		
Lake Macquarie Foundation	NSW	2012		
Marysville and Triangle Community Foundation	VIC	2012		
Mitchell Community Resources & Advocacy Group	VIC	2012		
Albany Community Foundation	WA	2013		
Glenorchy Community Fund	TAS	2013		
Red Earth Community Foundation	QLD	2013		
Sundale Community Foundation	QLD	2015		
Leongatha District CF	VIC	2016		
Mornington Peninsula Foundation	VIC	2016		

Notes:

1. Does not include community foundations managed by public trustees (eg. Queensland CF, Capital Region CF)
2. Sub-funds not included, except for Victorian Community Foundation, which is not an Equity Trustees sub-fund
3. Shading indicates Community Foundations that have ceased operating as independent organisations.



Reflections on slowing growth

It is worth considering why establishment of new Community Foundations has slowed so markedly over the past decade.

Part of the explanation probably lies in a lack of awareness among community leaders and the general public about the Community Foundation model and its unique advantages.

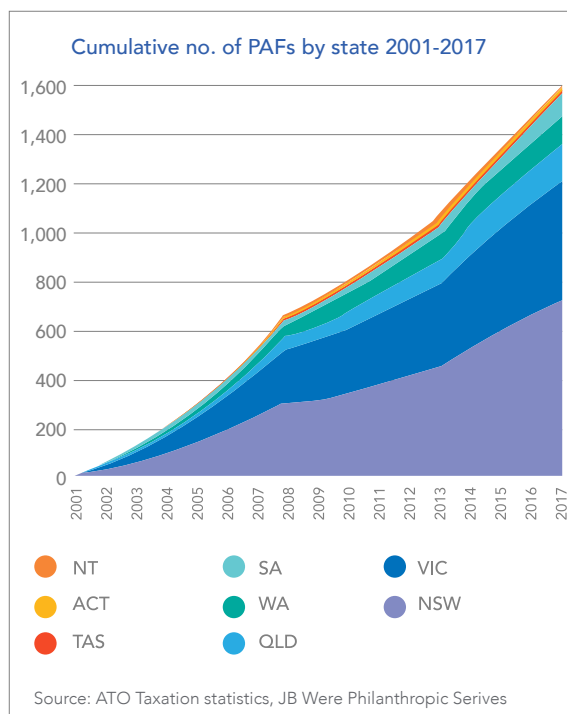
Once communities are aware of the model, there is anecdotal evidence that Australia's complex regulatory and taxation environment creates barriers to entry for establishing a volunteer-based entity like a Community Foundation, especially in regional communities where relevant skills and experience may be scarce.

A professionally resourced support organisation can make a critical difference here, helping to shepherd a potentially emerging Foundation to a successful start. Australian Community Philanthropy (ACP) aims to provide this service but has not always been in a position to be proactive in delivering this kind of support when and where needed. This is an important area where ACP needs to develop its capacity.

Another trend that may be impacting on Community Foundation growth is the increasing popularity of Private Ancillary Funds (PAFs)³³ as a vehicle for structured giving. While the number and value of PAFs has grown strongly since 2010, the growth in Community Foundations has flattened during that decade.

There were approximately 700 PAFs in Australia in 2010 with total assets of just over \$2 billion.

By 2017, the number had grown to over 1,700 PAFs and total assets increased to more than \$8 billion.³⁴



Source: McLeod, J. The Support Report, JB Were, p. 16

This is an observation of a trend or association, not proof of cause-and-effect. Nonetheless, impetus for establishment of a Community Foundation often comes from an initial gift to start creating a corpus. When people with significant disposable income are using their charitable dollars to establish ever more and wealthier Private Ancillary Funds, those funds are not being contributed to other forms of giving, such as community philanthropy.

³³ "A PAF is a trust that allows tax deductible donations to be made by the founder and associates such as family and friends and then distributes a minimum of 5% of the capital annually to eligible deductible gift recipients. The funds sit in a tax-exempt environment [and] must be invested according to an investment policy and subject to the ATO's PAF guidelines. Once donated to the PAF, funds cannot be withdrawn except for donations and reasonable costs. The attraction for many donors is the ability to establish an ongoing philanthropic giving vehicle that can involve the broader family and allow control and responsibility to be passed on through generations." McLeod, J.: The Support Report, JB Were, June 2018, p. 16

³⁴ *ibid*, p.17

Private Ancillary Funds are being promoted by professional advisers as options to be considered in financial and estate planning. These same advisers are often not aware of Community Foundations as an option for their clients.

This is another instance where a better resourced ACP could make a difference as a champion for the Community Foundation model, offering information and brokering contacts between the adviser community and the Community Foundation sector.

Finally, when considering the sector growth trajectory, there is the question whether there is a 'natural' limit to how many community foundations a given population can support. A comparison between select locations suggests that community foundation prevalence is influenced by factors other than population size and density.

	Australia ³⁵	British Columbia (BC)	Canada ³⁶	United Kingdom ³⁷
Population, 2019/20 estimates	25.1 M	5 M	37.3 M	67.9 M
Population density	3.3 / km ²	5.4 / km ²	3.9 / km ²	270.7 / km ²
Community foundations	40	54	191	46

Canada has approximately 1.5 times the population of Australia and a similar population density yet has almost five times the number of Community Foundations, while the Canadian province of British Columbia with about 20% of the population of Australia is home to 14 (35%) more Community Foundations than exist in all of Australia.

The UK has 2.7 times more people and its population density is more than 80 times higher than Australia's, though there are only 6 (15%) more Community Foundations in the UK than here.

Clearly, the relationship between population and ability to sustain community foundations is neither simple nor linear. It is more likely that a society's traditions of philanthropy and how engaged individuals and communities are in this kind of initiative impact on the vitality of community philanthropy in a given location.

The other significant difference between the places being compared here is the relative strength and capacity of the relevant Community Foundation support organisations. Community Foundations of Canada and UK Community Foundations, respectively, have had stronger capacity sooner to support the development of their member foundations than ACP has had to date in its context.

³⁵ <https://en.wikipedia.org/wiki/Australia>

³⁶ <https://en.wikipedia.org/wiki/Canada>

³⁷ https://en.wikipedia.org/wiki/United_Kingdom



Community Foundation success factors

In 2005, FRRR commissioned some work to understand better the community characteristics that might help identify places where a Community Foundation would be most likely to succeed. The aim was to inform more strategic decisions about where FRRR might support the establishment of new Community Foundations.

The report by Catherine Brown & Associates translated a set of indicators for Community Foundation success developed at the University of Oregon in the USA to the Australian context.³⁸ It concluded that *“overall, neither level of income nor level of wealth was a determinant of successful growth of community foundations or their assets”*.³⁹ The indicators of likely success were a stable population, higher geographic density, a highly educated population and a higher proportion of people over 65 years of age living in a region.

Looking at Australian census data, a numeric score for each of the success factors was assigned to every statistical region across the country, identifying rural and regions with the highest scores as priority areas for investment in Community Foundations.

The report is careful to point out that

1. *The scores do not measure community spirit or community leadership potential. They are an indicator of likely financial health i.e. a higher score indicates conditions which will make raising an endowment and flow through funds easier.*
2. *Community foundations located in more difficult fund development environments can still add value to their community through knowledge and leadership, but it will be much more difficult to achieve sustainability.*⁴⁰

Community Foundations have been established and are growing in some of the areas the report identified as good prospects, notably the Fleurieu Peninsula in South Australia and Port Macquarie in NSW.

Conversely, Community Foundations are not present in most of the regions that were identified as challenging environments for fund development including the Northern Territory, outback South Australia, and large parts of regional Queensland, Western Australia and Tasmania.

It would be interesting to update this work with the most recent census data to correlate the financial development of existing Foundations with their local community characteristics and to assess whether demographic shifts over the past 15 years have created more promising environments for community philanthropy in some places.

³⁸ FRRR, Catherine Brown & Associates P/L: Community Foundation Success Factors. Research Project Report, Nov. 2005.

³⁹ *ibid.*, p.2

⁴⁰ *ibid.*, p.10

Location

Community Foundations are often considered place-based philanthropic organisations. The specific characteristics and socio-economic conditions of the place where they operate inform a Community Foundation's focus and priorities. In community philanthropy, location matters.

Australia's Community Foundations are found mainly along the south eastern seaboard, coinciding with main population centres.



The Australian Capital Territory (ACT) and Tasmania each have one Community Foundation, reflecting their respective comparatively small geographic size and population.

South Australia, Queensland and Western Australia are geographically vast states with low population density and economically focused on the resources sector and

agriculture; only three or four Community Foundations are found in each of these states.

Victoria, geographically the smallest mainland state, is home to 18 Community Foundations (45% of the sector), including the oldest and largest.

Victoria's prominence in community philanthropy reflects its general status as Australia's home of philanthropy, derived from a settlement history dominated by a goldrush, mercantile colonial past and absence of convict transportation. Organisations that can and do support emerging community foundations including Philanthropy Australia, the Foundation for Rural and Regional Renewal (FRRR), the Lord Mayor's Charitable Foundation and Australian Communities Foundation are all based in Victoria.

In addition, the Victorian state government actively invested in the growth of community foundations through a matching grants program around 2009, and later provided seed funding for the establishment of five new community foundations in areas severely affected by the 2009 Black Saturday fires.

This combination of circumstances helps explain why Victoria has approximately double the number of Community Foundations to New South Wales.

Thirty-three of Australia's Community Foundations [82.5%] are based in regional areas where they serve combined resident populations of close to three million Australians, some 35% of the people who are estimated to live outside capital cities.⁴¹

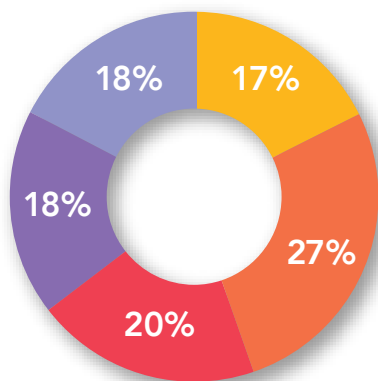
⁴¹ Estimate based on 2016 census data; <https://www.abs.gov.au/AUSSTATS/abs@.nsf/mf/3218.0>



CF LOCATIONS* - RAI CLASSIFICATIONS

*by CF registered head office address

- Regional Cities
- Connected Lifestyle Areas
- Industry and Service Hubs
- Heartland Regions
- Metropolitan Areas



Considering location in more detail with the help of a classification system for regional areas developed by the Regional Australia Institute⁴², it is interesting to note that there are Community Foundations throughout Australia in all kinds of regional and metropolitan areas.

While more Community Foundations are found in Connected Lifestyle Areas than any other type or region, the variances are not large and overall, the distribution of Community Foundations between different kinds of places is remarkably even, illustrating that this form of community philanthropy appeals to a broad range of people and communities.

The Community Foundations based in **metropolitan areas** (in accordance with Local Government Area – LGA – classifications) are:

		LGA	State
1.	Australian Communities Foundation	Melbourne	VIC
2.	Casey Cardinia Foundation	Cardinia	VIC
3.	Fremantle Foundation	Fremantle	WA
4.	Hands Across Canberra	Australian Capital Territory	ACT
5.	Inner North Community Foundation	Darebin	VIC
6.	Lord Mayor's Charitable Foundation	Melbourne	VIC
7.	Sydney Community Foundation	Woollahra	NSW

On the following page, Community Foundations are listed according to region type.

⁴²<http://www.regionalaustralia.org.au/wp-content/uploads/2014/12/Foundations-of-regional-Australia-FINAL-.pdf>

Community Foundations (registered business address), by region type

Regional Cities		<ul style="list-style-type: none"> • population of more than 50,000 • diverse economies • chance to use their size and diversity to shape own future 		
			LGA	STATE
Community Foundations based in Regional Cities	1.	Ballarat Foundation	Ballarat	VIC
	2.	Border Trust	Albury	NSW
	3.	Community Foundation for Central Victoria	Greater Bendigo	VIC
	4.	Geelong Community Foundation	Greater Geelong	VIC
	5.	Give Where You Live Foundation	Greater Geelong	VIC
	6.	Lake Macquarie Foundation	Lake Macquarie	NSW
	7.	Mackay Community Foundation	Mackay	QLD
Connected Lifestyle Regions		<ul style="list-style-type: none"> • do not have city population size • close to major metropolitan regions • influenced by their connection with these cities 		
			LGA	STATE
Community Foundations based in Connected Lifestyle Regions	1.	Bass Coast Community Foundation	Bass Coast	VIC
	2.	Buderim Foundation	Sunshine Coast	QLD
	3.	Fleurieu Community Foundation	Victor Harbor	SA
	4.	Foundation Barossa	Barossa	SA
	5.	Glenorchy Community Fund	Moonah	TAS
	6.	Kinglake Ranges Foundation	Murrindindi	VIC
	7.	Marysville and Triangle Community Foundation	Murrindindi	VIC
	8.	MCRAG [Mitchell Community Resources Advisory Group]	Mitchell	VIC
	9.	Mornington Peninsula Foundation*	Mornington Peninsula	VIC
	10.	Southern Highlands Foundation	Wingecarribee	NSW
	11.	Sundale Community Foundation	Sunshine Coast	QLD
Industry and Service Hubs		<ul style="list-style-type: none"> • regional centres with 15,000 – 50,000 residents • located further from major metropolitan areas • performance linked to industry outcomes • population size may make them resilient to change 		
			LGA	STATE
Community Foundations based in Industry and Service Hubs	1.	Albany Community Foundation	Albany	WA
	2.	Northern Rivers Community Foundation	Ballina	NSW
	3.	Foundation Broken Hill	Broken Hill	NSW
	4.	Leongatha District Community Foundation	South Gippsland	VIC
	5.	Mirboo North & District Community Foundation	South Gippsland	VIC
	6.	Mumbulla Foundation	Bega	NSW
	7.	South West Community Foundation	Warrnambool	VIC
	8.	Stand Like Stone	Mount Gambier	SA
Heartland Regions		<ul style="list-style-type: none"> • smaller regional areas • not close to other major metropolitan or Regional Cities • industry trends and local ingenuity will shape their future 		
			LGA	STATE
Community Foundations based in Heartland Regions	1.	Community Foundation for Tumut Region	Snowy Valleys Council	NSW
	2.	Denmark Community Foundation	Denmark	WA
	3.	Eyre Peninsula Community Foundation	Port Lincoln	SA
	4.	Into Our Hands Community Foundation	Alpine	VIC
	5.	Red Earth Community Foundation	South Burnett	QLD
	6.	Tomorrow Today Foundation	Benalla	VIC
	7.	Upper Murray Innovation Foundation	Towong	VIC

* Mornington Peninsula Foundation's registered office is in the Melbourne CBD, but the Foundation's activities are focused entirely on the peninsula.



Assets, Capability and Trust

Assets

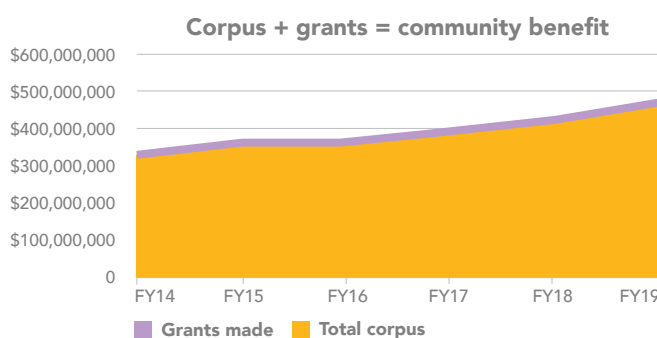
Asset size is often used as a proxy measure for success of philanthropic funds. By itself, it is unlikely to be a reliable indicator of success for any philanthropic institution, especially in community philanthropy where community leadership and empowerment are indivisible from the financial contribution a Foundation makes to the local community: *“The measure that matters is impact, not asset size.”*⁴³

Nonetheless, financial metrics tell part of the story.

By 30 June 2019, assets under management by Australia’s Community Foundation sector in aggregate had grown to more than \$454 million.

This represents an increase of 40% over a six-year period since the 2013/14 financial year when ACP undertook its first Community Foundation mapping exercise and when self-reported data first became publicly available through the *Australian Charities and Not-for-Profits Commission (ACNC)*.⁴⁴

Growth across the sector is uneven with some Foundations increasing their assets many-fold during that period while others grew incrementally, and a small number show negative growth. Yet the overall trend is for Foundations to add to their corpus over time.



⁴³ Bernholz, L, Fulton, K and Kasper, G: *On the brink of new promise: the future of US community foundations*, Blueprint Research & Design, 2005, p.24

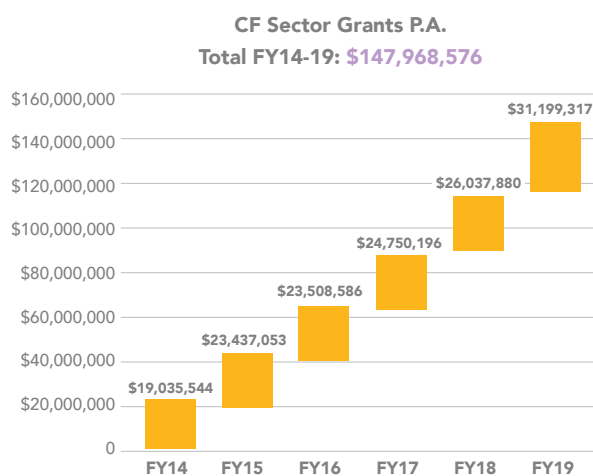
⁴⁴ All figures in the remainder of this chapter are based on Community Foundations self-reporting through their Annual Information Statements to the national regulator – see www.acnc.gov.au and comparative data from *Mapping the Community Foundation sector (2014)*.

⁴⁵ see <https://www.bendigobank.com.au/community/community-bank/>

⁴⁶ see <https://www.business.gov.au/assistance/building-better-regions-fund>

Funding distributed

From FY2014 to 30 June 2019, Community Foundations distributed close to \$148 million to support community needs in their respective local areas, with the grant amounts increasing each year.



In the 2018/19 financial year, Australia’s Community Foundations between them supported community priorities with grants to the value of more than \$31 million.

To put this in perspective: the national network of 324 Bendigo Bank Community Bank® branches contributed \$24 million to local communities that same year⁴⁵, while the Federal Government’s *Building Better Regions Fund* in made grants of \$6.86 million in its FY19 funding round Community Investment stream.⁴⁶

These important and welcome contributions to regional development from the private and public sector are more than matched by the financial benefit Community Foundations generate for their local communities.

Capability

The Community Foundation sector in Australia is predominantly volunteer based with approximately ten volunteers for every paid staff member.

Self-reported data suggests that in 2018/19 some 2,059 people made up the regular workforce of the sector with fewer than 10% of them [n=194] occupying paid staff positions.

In 2018/19, one third of Community Foundations [n=14] had no staff and were led and managed entirely by volunteers, nine Foundations [17.5%] operated with only one part-time employee, and eleven Foundations [n=11] had more than one and up to 10 staff. Only four Foundations [10% of the sector] had a staff of more than ten.⁴⁷

A Community Foundation needs a solid corpus to generate resources from fund management fees for its own organisational capacity, notably staff to drive on-going growth and development for the Foundation. Until that tipping point is reached, Foundations that rely exclusively on volunteers will usually grow slowly and financial and human resource constraints reflect and tend to reinforce each other. Almost all the foundations that operated without paid staff in FY2019 had a corpus of less than \$1 million.

Capability constraints extend beyond human resources. For small Community Foundations, challenges often include lack of investment in operating systems, tools and infrastructure that would help increase efficiency and impact for activities from fundraising and communications to grant-making.

There is a need to assist especially smaller Foundations with capacity-building. The role of a support organisation in this respect has been well documented and is summarised in a subsequent chapter.

Trust

Trust is the third pillar underpinning community philanthropy, together with assets and capability.⁴⁸ Trusted relationships and high levels of trust are a defining feature of Community Foundations.

At a very profound level, community philanthropy organizations are building trust in the communities they serve.

Jenny Hodgson, Executive Director Global Fund for Community Foundations⁴⁹

The Edelman Trust Barometer, an annual survey of people in 28 countries that is now in its 20th year, provides some interesting context for trying to understand why community philanthropy is particularly effective at building trust.

Twenty years of ethical misdeeds – government and business corruption, bribery, fake news – and doubts that our institutions are able to lead us into the future have spurred an urgent desire for change (73 percent globally). In the new trust compact, people’s propensity to trust is based on how well they believe institutions get things done and whether they do the right thing.

⁴⁷ It is worth noting that self-reporting on staff and volunteers in Annual Information Statements is less detailed and perhaps a little less reliable than financial information published at <https://www.acnc.gov.au/>

⁴⁸ Hodgson, Knight & Wilkinson-Maposa: New Horizons for Community-Led Development, p.10 – emphasis added.

⁴⁹ Ross, op.cit., p.11



*The compact has two elements. First, trust must be built through participation. **People expect that their voices will be heard and that they will be invited to help chart an institution's future course.** ... they want to influence ... sustainability and policies that advance diversity and inclusion. Trust is predicated on transparency and flexibility and continually shaped by the give-and-take of stakeholders.*

*Second, trust has moved toward the **local.** The most trusted people are now my employer and, after scientists, **my fellow citizens in my country and in my community.***

*No institution can go it alone...NGOs can help the other institutions embrace the "new power" of **peer-led movements that are driving change around the world.**⁵⁰ (emphasis added)*

The 2020 trust barometer report for Australia⁵¹ shows a 23-point difference in trust between the informed public and mass population – the highest gap for any country in the world and the largest gap ever recorded in Australia, an increase of 10 points over the previous year. While the informed public is largely trusting, the majority of the population do not trust their institutions to do what is right.

Competence and ethical behaviour are critical for building trust. In Australia, no institution is seen as both competent and ethical. Business was viewed as the only competent institution. NGOs are considered the only ethical institution. Government and media are viewed as neither competent nor ethical.

Australians believe that tackling the big issues that challenge society require partnerships between government, business and NGOs,

but perceive that institutions are not good at this. Partnering could be a trust-building opportunity.

If these general observations about trust are to be believed, then Community Foundations as entities that are peer-based, locally focused, welcoming of participation and committed to partnerships are very well placed to build and maintain trusted relationships in their communities.

They should be among the most sought-after partners for government, business, churches and other not-for-profit organisations to engage with communities that have become deeply disillusioned with the quality of leadership in our institutions.

The fact that Australia's governments, businesses and third sector organisations are not to any significant extent seeking out such partnerships possibly due at least in part to a lack of awareness of what Community Foundations have to offer in this respect.

It remains to be seen how the Australian community at large will in due course assess the competence and trustworthiness of political, business and third sector institutions in dealing with the crises of 2019/20.

People in places that were in the line of fire through the summer did not initially respond well to some politicians and large charities that were criticised for not appreciating the impact this disaster had on immediately affected communities.

On the other hand, locally based charities including Community Foundations where they exist, were well supported in a show of confidence and trust by their communities.

⁵⁰ <https://www.edelman.com/20yearsoftrust/>

⁵¹ <https://www.edelman.com.au/research/edelman-trust-barometer-2020>

The role of philanthropy support organisations

A substantial body of published research mainly from the US makes the case that support organisations are vital for philanthropy to flourish.

“Growing philanthropy requires investment in the support ecosystem. Data to build transparency and inform decisions, advocacy for an enabling environment, campaigns to grow a culture of giving, technology to link donors and recipients, advice and capacity building to help make better use of existing resources, space for donor mediation and coordination, and standards that build trust within society – all these...can accelerate the growth of philanthropy and catalyse its impact.”⁵²

Support organisations help philanthropic organisations build capacity through resources and capability through knowledge and expertise. They connect and help build relationships between and with their constituents for networking, peer learning and sharing, or collective action. Support organisations build profile and reputation on behalf of their members, leading to influence and trust with stakeholders including policy makers and the wider society.⁵³

For Community Foundation development, external support in the form of expert advice, resources, financial or technical assistance to build organisational capacity can make a critical difference. Research shows that where there is an infrastructure organisation supporting community philanthropy, nine times more Community Foundations are created than in places where this support is not available.⁵⁴

A select group of funders have backed Community Foundations and their support organisations in local, national and

international arenas. They include the Ford, James Irvine, W.K. Kellogg, John S. and James L. Knight, Kresge, and David and Lucile Packard foundations, the Lilly and California endowments, and the champion of champions - the Charles Stewart Mott Foundation.⁵⁵

For the Mott Foundation, this is core business. The Foundation's grant database details 457 grants of varying sizes to organisations all around the world since 1996 under the 'Enhancing Community Philanthropy' program.⁵⁶ It is an investment in the hundreds of millions of dollars in global community philanthropy and Community Foundation capacity building.

Two leading examples of support organisations that have been effective at nurturing strong Community Foundation sectors in their respective countries are UK Community Foundations (UKCF), and Community Foundations of Canada (CFC). Both have had significant help to build their own organisational capacity.

⁵² WINGS, *Unlocking Philanthropy's Potential. What funders can do build strong philanthropy support ecosystems*, 2018, p.3

⁵³ WINGS, *Infrastructure in focus: a global picture of organisations serving philanthropy*, Sao Paolo, 2013, p. 15

⁵⁴ *Unlocking Philanthropy's Potential*, op.cit., p. 9

⁵⁵ Mott Foundation, *Sowing the seeds*, op.cit. p.2

⁵⁶ <https://www.mott.org/grants/>



Creating and maintaining a robust infrastructure isn't a problem to be solved. It's a never-ending process that's essential to nurturing and sustaining a strong philanthropic and non-profit sector and a vibrant civil society.

Ridgway White - President, Charles Stewart Mott Foundation

Unlocking Philanthropy's Potential, p.12

In the UK, the first Community Foundation covering Swindon and Wiltshire started in 1975. Through the 1980s, a further six Community Foundations were launched. In 1991, the C.S. Mott Foundation embarked on a decade of support for the development of community foundations in the UK through the 'Community Foundation Network', which has since become 'UK Community Foundations' (UKCF). Today, there are 46 Community Foundations in the UK with an endowment base of close to GBP700 million, disbursing nearly GBP100 million a year.⁵⁷

In Canada, the Winnipeg Foundation was the first Community Foundation, founded in 1921. Over the next 60-odd years, the number of Community Foundations in Canada grew to

35 by the 1980s. After Community Foundation of Canada was established in 1992, 55 new Community Foundations were founded across Canada in the 1990s.⁵⁸ Today, Canada has 191 Community Foundations and CFC is the global leader among Community Foundation support organisations, a powerhouse network organisation running national programs for research, communications and fundraising and offering technical support and tools to its member foundations.⁵⁹

CFC has also had significant capacity building support from the C.S. Mott Foundation and other funders, especially in its early years and continues to partner with philanthropy and business in support of its mature programs.

⁵⁷ A Guide to Community Foundations in the United Kingdom. European Community Foundation Initiative, Bundesverband Deutscher Stiftungen e.V., Berlin 2017, p.11. Also <https://www.ukcommunityfoundations.org/>

⁵⁸ Leat, op.cit., p.9

⁵⁹ Fuller, op.cit., pp 27-8

Community Foundation sector support in Australia

Over the past two decades, Community Foundations in Australia and their peak organisation, Australian Community Philanthropy, have had support from philanthropy and governments. This has taken the form of project funding for feasibility studies and planning, technical assistance, advice and resources, seed funding for new foundations and challenge grants to help build endowments.

Prominent among those who have supported the development of the sector and continue to do so are the Foundation for Rural and Regional Development (FRRR), Philanthropy Australia, the Lord Mayor's Charitable Foundation, and Australian Communities Foundation (originally known as Melbourne Community Foundation).⁶⁰

FRRR holds a special place among those leading supporters related to its special status as a Deductible Gift Recipient: FRRR has the ability to provide grant funds to rural, regional and remote non-profit groups without DGR status as long as the activities are charitable and align to FRRR's purposes, and it can formally partner with rural, regional and remote non-profit groups that do not have DGR status to receive grants and donations on their behalf for activities that support FRRR's purposes.

This kind of partnership is the only way in which Community Foundations can currently give to grassroots non-DGR charities, as FRRR is able to receive donations from a Community Foundation and redirect those funds to charitable projects in that Foundation's location.⁶¹ This makes FRRR an essential infrastructure support organisation for the Community Foundation sector.

Philanthropy Australia - Australia's national network organisation for grant makers - developed an interest in the community foundation model in 1999/2000 around the time FRRR was being established. With assistance from the Commonwealth Government, Philanthropy Australia produced a feasibility study and a business plan for the development of Community Foundations.⁶²

FRRR and Philanthropy Australia collaborated to produce *The Community Foundation Kit*, the first comprehensive resource to support Australia's Community Foundation practitioners in their work.⁶³ Until 2014, Philanthropy Australia also resourced the organisation of the annual Community Foundations Forum, a conference targeted to the interests of Community Foundation practitioners.

⁶⁰ Leat, op.cit., Ch. 2, pp.23-28

⁶¹ Submission from FRRR to Treasury in response to Discussion Paper on Tax Deductible Gift Recipient Reform Opportunities, August 2017, p.3

⁶² Ibid.

⁶³ The Community Foundation Kit. 1st edition 2001; 2nd Australian edition 2004. FRRR with Philanthropy Australia.



FRRR and Philanthropy Australia continue to work together in championing regional and community philanthropy, for instance through the Community and Philanthropy Partnerships Week initiative between 2015-2017 supported by the federal government's Department of Social Services.⁶⁴

Between 2001-03, the C.S. Mott Foundation provided three grants to a total value of US\$94,133 to support development of Community Foundations in Australia. This support is acknowledged in a joint submission from Philanthropy Australia and FRRR to the Commonwealth Government on how to address regulatory barriers facing Community Foundations⁶⁵; and in the Success Factor report cited elsewhere in this paper, prepared for FRRR.

All these (and others not itemised here) valuable investments have supported Australia's emerging Community Foundation sector and some of the initiatives are on-going,

notably FRRR's support for the sector through partnering. They created the conditions for dynamic growth in the first decade after 2000 when the majority of today's Community Foundations were established.

Yet in international comparison, for instance with Canada or the UK (see above) sector-building infrastructure support for Community Foundations in Australia has been more modest and sporadic than parallel investments abroad. The absence of a support organisation specifically for Community Foundations may have been partly responsible, creating uncertainty for supporters about where to focus their assistance.⁶⁶

The incorporation of **Australian Community Philanthropy** (ACP) in December 2007 marked the formal establishment of the first dedicated support organisation for the Community Foundation sector in Australia.

⁶⁴ Department of Social Services, FRRR and Philanthropy Australia: Leading practice in community & philanthropy partnerships. Lessons from Community and Philanthropy Partnerships Week 2015-2017.

⁶⁵ Catherine Brown & Associates P/L: 'Making community philanthropy work. Overcoming legal and regulatory barriers facing community foundations in Australia', Philanthropy Australia & FRRR, March 2003.

⁶⁶ Leat, op.cit., p.31.



Australian Community Philanthropy (ACP)

Australian Community Philanthropy (ACP) was established by and for Community Foundation practitioners. It is incorporated as a Company Limited by Guarantee, has been endorsed by the Australian Taxation Office (ATO) for charity tax concession status and is registered as a charity with the Australian Charities and Not-for-Profits Commission (ACNC). It does not have Deductible Gift Recipient status.

Purpose

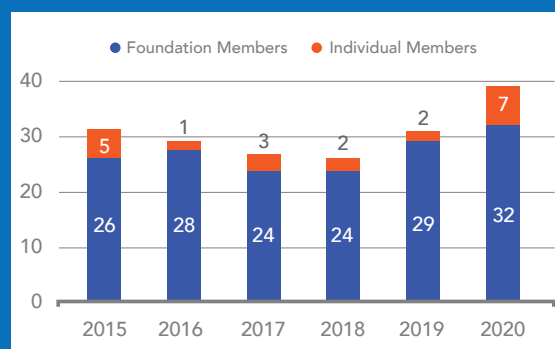
According to its governing document (Constitution), Australian Community Philanthropy's purposes are

to support and promote community philanthropy and community foundations within Australia by, without limitation:

- (a) providing information, resources, networking opportunities, training, fellowships and peer support opportunities;
- (b) creating the optimum operating environment for the growth of community foundations in Australia; and
- (c) acting as a focus point for consultation between the community foundation movement and external stakeholders such as government, donors and partner organisations.⁶⁷

Membership

ACP was established by Community Foundation practitioners for Community Foundation practitioners. While it is incorporated as a Company Limited by Guarantee, it has always been a 'members first' organisation. Membership is limited to community foundations and individuals with deep knowledge about community foundations.



Initially, member subscription fees were the only source of income. In a small, emerging sector where most Community Foundations had limited financial means, this impacted on the rate of growth and development in the early years.

Today, ACP enjoys active support from 80% of Community Foundations and the membership program has been contributing almost a third of annual revenue since a change to the fee structure in 2016.

Refer also to section 'Resourcing' below.

Programs

To deliver on these objectives, ACP provides programs and services for its Community Foundation members that closely match the standard service menu offered by most philanthropy support organisations.

WINGS (Worldwide Initiatives of Grantmaker Support) surveyed its global membership in 2013 and found that they offered different combinations of the following seven services:⁶⁸

⁶⁷ Constitution of Australian Community Philanthropy Limited, ABN 11 128 866 419, updated October 2019, clause 2, p.3

⁶⁸ WINGS, 2013: *Infrastructure in focus: A global picture of organizations serving philanthropy*, p.18



1. Conferences and seminars – offered by 98% of survey respondents
2. Training – 81%
3. Information services – 76%
4. Affinity groups – 68%
5. Peer learning – 62%
6. Advice services – 59%
7. Advocacy – 51%

ACP is involved with six of these to different degrees. It does not currently offer its members the option of connecting in Affinity Groups.

ACP delivers

- An annual national conference (National Community Foundations Forum)
- training through occasional webinars
- information through newsletters, a website and occasional research and publications
- peer learning opportunities are part of the conference and regular teleconference peer group meetings ('fireside chats'; 'mastermind' small group coaching);
- advice for prospective new Community Foundations by phone, email or in person
- assistance to members with queries
- connecting potential donors to foundations
- collating sector-wide data to build an evidence base
- advocacy for key policy reform priorities for Community Foundations.

ACP also maintains bilateral and multilateral contacts with philanthropy support organisations in Australia and abroad and represents Community Foundations in national and international meetings.

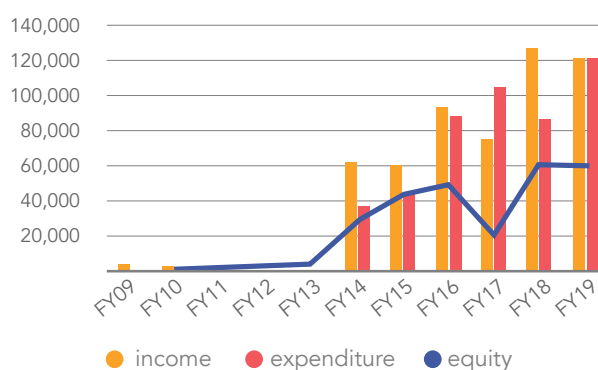
It is an ambitious program of activities for a small organisation with limited resources.

Resourcing

As is common for philanthropy support organisations, ACP evolved as a membership-based organization for Community Foundations. Globally, two thirds of philanthropy support organisations identify as membership organisations.⁶⁹

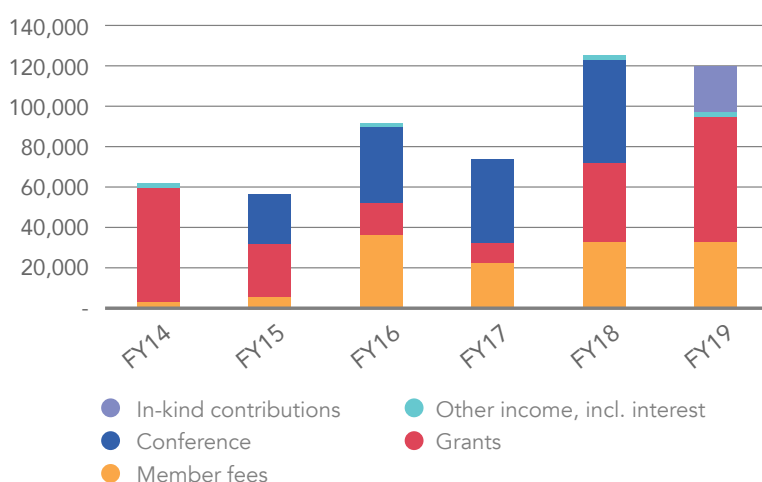
At the time ACP was established, the potential member pool was in the order of 25 foundations. The initial business model was based on income from memberships, and volunteer leadership to cover governance, management and service delivery, supplemented by external support such as Philanthropy Australia organising the national Forum.

ACP started with a small board (originally four directors) of volunteers who all had other commitments, no staff, and a limited financial base. Membership fees were set at a flat rate per foundation or individual member. For a number of years, this generated around \$5,000 p.a in revenue for the organisation. Given this challenging set of circumstances, it is a credit to ACP's pioneer leaders how the organisation has evolved.



⁶⁹ WINGS: 'Infrastructure in focus. A global picture of organizations serving philanthropy.', Sao Paolo, 2013, p.10. The study asked participating organisations to self-identify; alternatives were "Support" or "Network" organizations. They each do more or less the same, but with a different focus or emphasis as to the main target audience.

In FY13/14, the Lord Mayor’s Charitable Foundation and FRRR jointly provided \$50,000 in project funding to ACP for the “Community Foundation Mapping” project. It was an important milestone, as it allowed ACP for the first time to engage a part-time project officer.



- income exceeded \$100,000 for the first time in FY18;
- in FY19, revenue exceeded \$100,000 in the absence of a conference contributing to income and with grants making up the lion’s share of revenue that year;
- total ACP revenue from FY14 to FY19 inclusive was \$515,342; ie. average of \$85,890 p.a.

ACP’s top five supporters – Lord Mayor’s Charitable Foundation (LMC), FRRR, Australian Communities Foundation (ACF), Gandel Philanthropy and Hewison Private Wealth – between them contributed more than half (57%) of total revenue FY14-FY19. LMCF alone providing 23% of the cumulative total. In addition, both LMCF and ACF regularly provide generous in-kind support essential for ACP operations, including *inter alia* serviced office space and IT support.

The company’s development since then illustrates that even a modest initial investment in a professional resource can put an organisation on a growth path.

In FY15, ACP appointed its first part-time Executive Officer, laying the groundwork for capacity building and further growth.

A look at income by source since 2014 shows that

- grants have become a regular source of revenue;
- a tiered membership structure introduced in FY16 has successfully increased revenue from memberships to around \$30,000 p.a.;

This speaks to extraordinary generosity and deep commitment to community philanthropy among a small group of leading supporters. It also highlights ACP’s dependence on a limited number of key relationships.

ACP has embarked on a growth path with revenue in the two most recent years above \$100,000 p.a. clearly above the longer-term average. Nonetheless, the current resource base is not sufficient to deliver comprehensive high-quality services to Community Foundations across Australia, undertake strategic sector positioning, promotion and advocacy nation-wide, and build ACP’s capacity to achieve self-sustaining growth by developing new business streams.



Challenges for ACP

The key challenge for the Community Foundation sector in Australia has been a lack of resources for capacity building, both at the individual foundation level and for ACP as the peak body or support organisation.

The "Mapping the Community Foundations Movement" report, published by ACP in September 2014, concludes with this observation and recommendations:⁷⁰

... a healthy Community Foundation movement needs to be driven by a clear and shared vision, a strong and effective framework, an effective operational plan, and have gained the support of a healthy cohort of members and other supporters. It also requires a backbone organisation with appropriate resources.

Recommendations- Mapping the Community Foundations Movement

We need:

1. **A raised and engaging public profile**
 - increased understanding and engagement within the general community; good social media and general media presence;
 - increased awareness and support from/ partnerships with other types of philanthropy, from corporations and government.;
 - to get better at telling our stories and promoting our business acumen.
2. **Champions**
Having lacked a high-profile champion in the past we would do well to follow the Canadian model where their Governor General is the highly visible patron of their Smart & Caring Communities program.
3. **To lobby, with a united voice, for an improved regulatory environment**
as detailed in ACP's 'Maximising the

Efficiency and Effectiveness of Community Foundations in Australia' submission.

4. **Data collection and dissemination**

Using our data as an evidence base to inform our strategies, bring understanding and credibility to our arguments, and help us participate in the global community philanthropy movement. Vital Signs is an exciting step forward.

5. **Adaptability**

Openness to engage with others of cultural diversity and across generations; to excite and respond to and bring on board young people; to find new ways of engagement which embrace the way they want to do philanthropy. This might mean loosening the framework of what we now recognise as Community Foundations.

6. **Collaborative approaches**

Such as sharing infrastructure; partnering with corporates or other funders to deliver their funding programs in your communities.

7. **Stronger connections with the broader philanthropy sector**

In contrast to other countries, including New Zealand, private philanthropic foundations have (with a few notable exceptions) not yet chosen to grow [community] philanthropy through supporting and partnering with Community Foundations. Despite legislative barriers, there is some scope for growth here, particularly with support from FRRR.

8. **A strategic approach**

Led by the peak body, working collaboratively with other stakeholders on various levels; we need to be proactive and targeted in our efforts.

9. **An open mind and a big vision**

So we can look outwards and embrace change and innovation, while not losing sight of our community roots and our mission.

⁷⁰ Arkles, L.: Mapping the Community Foundations Movement. Final report. ACP, Sept.2014, pp. 17-18.

There has been some progress towards these objectives over the past five years, though the above points remain largely valid as aspirational goals, including the need for ACP to become a sector 'backbone' organisation with appropriate resourcing to drive change and development.

Emily Fuller observed in 2014: *'Australian Community Philanthropy is emerging and with adequate resourcing and clarification of its role and strategy, could step into the role of peak body for community foundations in Australia'*.⁷¹

ACP needs to strengthen its operational base of staffing, skills, structure and systems in order to provide more and increasingly more sophisticated capacity building services for its members and support for emerging Community Foundations.

And it needs to improve its branding and brand management as a platform for more effective external engagement with key stakeholders, from policy decision-makers to prospective donors and initiators of new Community Foundations.

With those imperatives in mind, the ACP Board has begun to map out the organisation's strategic direction and investment needs to

2025 while also putting in place some building blocks to create a platform for organisational development and growth.

Since late 2018, ACP has

- made some targeted new board appointments to diversify skills and networks,
- appointed a new Executive Officer,
- undertaken this 'Blueprint' project to scope future opportunities,
- finalised an MOU with Philanthropy Australia,
- mobilised new funding sources (eg. Minderoo Foundation, GlobalGiving),
- increased its staff resources with addition of a part-time communications specialist and casual research assistance
- upgraded some of its back-office systems to improve financial and membership management.

ACP is today in a better position than it has previously been to address its organisational development needs for the benefit of its members and the community philanthropy sector. It is investment ready.

⁷¹ Fuller, op.cit., p. 30-31



ACP strategic direction

A generic framework to define activity focus for a peak organisation like ACP can look as follows:

Peak Organisation Generic Activity Matrix

Source: Adapted from SSIR and GoodWolf Analysis, 2020



Framed in terms of these four core functions of a peak organisation, the table on the following page sets out ACP's key objectives over the next few years to strengthen and expand the CF sector to ensure that community philanthropy reaches more Australians with more and better philanthropy focused on local needs. For ACP, this plan places a bigger emphasis on the role of 'Sector Champion'.

Overview of ACP’s Strategic Direction

ACP’s role	Objectives	Outcomes & Impact
Skill Developer Build skills & capacity with existing & new members	One-stop shop of reliable, accessible expert advice and technical assistance for community groups for (i) CF establishment, (ii) CF early stage growth phases, and (iii) continuous professional learning for CF practitioners	<ul style="list-style-type: none"> • Growing number and reach of thriving CFs serve more communities around Australia. • More empowered, connected communities actively engaged in the development of the place they call home. • Greater awareness and understanding of the strengths of the CF model at all levels of government leads to more engagement and support. • A fairer, more sustainable and equitable Australia.
Connector Build CF sector engagement and membership	A vibrant peer support network of community philanthropy practitioners empowered to work together towards shared goals, enabled by light-touch networking infrastructure and a biannual conference	
Sector Champion Build awareness and profile of CF sector	A growing awareness of CFs in Australia led by a campaign to build appreciation among communities, funders and policy makers about the value proposition and impact of community philanthropy	
Policy Changer Build advocacy for advantageous policy positions	Systematically engage with key stakeholders around priority issues, including regulatory reform, mobilising assets for community benefit, and strengthening civil society to influence desired policy changes	

The importance of Sector Building

ACP acknowledges that more needs to be done to make Community Foundations visible and accessible to external partners, to broker linkages and develop a broader and more mature Community Foundations base across Australia.

International experience from the US, Canada and the UK where the Community Foundation model is longer established shows that it typically takes around 25-30 years for these foundations to mature to a point of self-sustaining growth. Capacity building expertise and technical assistance, advocacy and

support for public awareness raising from a peak organisation, and a peer network have been shown to be vitally important for the growth and success of emerging Community Foundations.

While 90% of Australian CFs are today less than 20 years old, 18 of them (46%) will celebrate their 20th anniversary between 2020 and 2024. The sector is well on its way towards a sustainable future. But it is maturing in particularly challenging times, faced with more frequent and intense natural disasters and even a pandemic that presents not only a medical, but also a social and economic crisis challenging all sectors.



At this a critical stage of development for Community Foundations in Australia, ACP needs to step up and expand its role and influence for its members to become the visible champion for the sector.

Community Foundations need strong, practical and positive support from ACP as a 'Sector Champion' to raise the profile and relevance of the sector, as an advocate for policy change, and as a skills builder and connector to assist Foundations with their on-going capacity building. This will help existing Community Foundations scale up and provide the practical assistance needed to encourage local leaders in places that are looking to establish a Community Foundation to embark on their community philanthropy journey.

Need for investment

Capacity building investment is needed for ACP to evolve into a stronger Sector Champion. Investment similar to what the Charles Stewart Mott Foundation provides routinely for philanthropy support organisations around the world, for example for UKCF.

UKCF emerged from what was previously the Community Foundation Network in the UK with the help of a 'decade of support' from the Mott Foundation that included generous general-purpose funding:

"Multiyear funding [that] will allow [it] to continue its core activities and build its organizational capacity by addressing staffing issues; enhancing the visibility of the Community Foundation model and existing Community Foundation network; developing electronic communications within the network; designing a common classification system for Community Foundation materials; and pursuing international work."⁷²

ACP estimates that building its capacity for excellence as a sector peak body from its current sub-scale base will require approximately \$1million over a five-year period.

A high-level plan how to build out a stronger Community Foundation sector and create a more effective Sector support and champion organisation by 2025 has been mapped out, included on the following page.

⁷² <https://www.mott.org/grants/uk-community-foundations-general-purposes-200000066/>

This support from the Mott Foundation continues today. UKCF has received some 17 grants since 1999 to a total value of more than US\$3 million, more than three quarters of it in untied or general-purpose funding. <https://www.mott.org/grants>



ACP high-level plan for sector and organisational growth to 2025

Focus Area	Connector	Skills Builder	Sector Champion	Advocate
Strategic Objective	CF practitioners anywhere in Australia have ready access to a peer support network	Offer regular, accessible, high quality learning opportunities relevant to CF practitioner development needs	Build CF sector evidence base through research; build public awareness through external engagement	Systematically engage with key stakeholders around priority issues for community philanthropy to influence policy change
Supporting Activities	<ul style="list-style-type: none"> • Bi-annual CF Forum meeting to connect and interact in person • Bi-monthly Newsletter and regular information sharing via web site • Member Hub website for resource sharing and online forums • Coordinate multi-partner projects • Provide and continuously improve online networking facilities 	<ul style="list-style-type: none"> • Survey members to recalibrate needs • Design, promote and deliver Annual Calendar of webinars and peer learning sessions, incl. at biannual CF Forum • Develop "CF101" program in partnership with CF Canada and CFNZ; deliver, evaluate, fine-tune • Bespoke advice service to member CFs re. development needs & facilitate resource sharing across CF network • Advice and technical assistance for aspiring new CF founders 	<ul style="list-style-type: none"> • Reposition ACP purpose, brand and deepen ambition to 2025 • Conduct annual CF census; publish data and promote to stakeholders • Develop business plan to turn Vital Signs into a national program; secure partnerships to implement; engagement plan • Map out Research Program, and seek out and undertake projects in partnership with research organisations • Media partnership and publicity campaign to promote the benefits of CFs and outcomes of research 	<ul style="list-style-type: none"> • Document key policy challenges and reform needs ('statistics and stories') • Tax and regulatory reform (especially DGR reform) • Develop key stakeholder database for advocacy work • Campaign with key stakeholders (opinion leaders; champions; decision makers in politics and bureaucracy) on key issues, persistently • Engage with consultation processes & Submissions
Outcomes	<ul style="list-style-type: none"> • Connected community of CF practitioners that can mobilise around common interests • High-functioning network working together towards shared goals 	<ul style="list-style-type: none"> • Increasingly skilled, sophisticated CF workforce (paid and volunteer) • More confident CFs inspire confidence in donors/ supporters, resulting in CF growth 	<ul style="list-style-type: none"> • Increased public awareness of CF model, benefits and impact • Grow community interest and support, including more donations, resulting in CF growth 	<ul style="list-style-type: none"> • DGR1 issue resolved by 2022; positive impact on CF growth through simplified access to funds and granting • ACP recognised as representative and authoritative CF sector leader
Focus Area: ACP Capacity Building				
Specific Activities	Team skills & capacity <ul style="list-style-type: none"> • Build (small) team with complementary skills to enable EO to focus on planning, CF sector and ACP business development - Eg., part time and contract resources for membership and network building, events management, administration • Succession planning for EO 	Digital infrastructure <ul style="list-style-type: none"> • Upgrade website to be more engaging and interactive • Develop secure member hub and online networking • Online service delivery (eg. education programs) • Continuous improvement of back office systems & efficiencies 	Branding & outreach <ul style="list-style-type: none"> • Clarify name, brand promise and update brand expression • Create stronger presence, visibility and credibility • Develop proactive, targeted outreach to new audiences 	Business development <ul style="list-style-type: none"> • Systematic exploration of new, recurrent multi-channel revenue opportunities • Structured partnership development
Outcomes	<ul style="list-style-type: none"> • Increased capacity to deliver programs & activities, • Scaling and on-going development of ACP • More resilient organisation 	<ul style="list-style-type: none"> • More accessible services for members, especially in regions; more accessible info for general public • More efficient and effective organisation 	<ul style="list-style-type: none"> • Growing awareness of CF model, CF sector and ACP among people who matter and who can support CF sector growth 	<ul style="list-style-type: none"> • More robust business model; diversification of income sources • Capacity to grow services and reach from stronger revenue base



Support for growth

For ACP, this **'Blueprint for Growth'** project has helped inform its strategic direction to 2025, a critical period when the Community Foundation sector in Australia will start to come of age.

The need to shape ACP into a highly effective support organisation and champion for the sector has been reinforced by new challenges that have emerged for communities and community philanthropy around Australia this year through the fire emergency and pandemic shut-down.

This is a time for Community Foundations to both respond and lead, to champion collaborative and connected approaches for the common good as a reasonable, and preferable, alternative to individualistic instincts and self-interest. ACP has an important sector leadership role to play here.

Out of this work, ACP has developed a case for support, and we are in active dialogue with prospective supporters while this 2020 update to the **'Blueprint'** report is being finalised.

We are humbled by the thoughtful reception the case for supporting a stronger Community Foundation sector is receiving. Prospective new supporters and partners of long standing alike are sharing our conviction that Community Foundations are today more important than ever.

*"There has been much speculation about the post-COVID environment – how will the economy be restarted, what will be the nature of geopolitics, the continued role of the state, the long-term impact on society at national and local levels, even the nature of human relationships. Whatever the scenario, community foundations as trusted institutions, will surely have proved their worth, and where conditions have allowed, will emerge stronger. If there is to be a positive legacy from the crisis it must be in the recognition of the value of local action for global good, in extending and building the community foundation movement ... in a way that fully embraces the Sustainable Development Goals in order to do their small bit to help ensure that 'no-one is left behind'."*⁷³

**James Magowan Co-ordinating Director,
European Community Foundation
Initiative**

ACP and our Community Foundation members look forward to working with our partners to build stronger collective capability, impact and voice for this sector.

⁷³ <https://www.alliancemagazine.org/blog/a-pivotal-moment-for-community-foundations/>

Summary and conclusion

Community Foundations have gained a firm foothold in Australia and are here to stay. They have an essential leadership role in their communities and contribute to community development through strengthening social capital, building trust, and funding local priority needs.

This essential role is amplified in times of crisis, as Australia's 2020 bushfires and the COVID-19 pandemic have illustrated. More frequent and more intense natural disasters driven by a changing climate are expected globally. The need to strengthen the community philanthropy sector with direct impact on the strength of our civil society is clear and urgent.

There is compelling evidence from elsewhere that an effective support organisation is instrumental for the development of a thriving Community Foundation sector.

In Australia, the basic building blocks are in place. The Community Foundation sector will mature over the next five years, getting to a position where targeted support can help accelerate growth significantly. Australian Community Philanthropy (ACP)

is the recognised support organisation for the Community Foundation sector. It has established a solid base of support among Community Foundations and in the philanthropic sector and is beginning to emerge on a growth path.

Equipping ACP to build its Sector Champion capacity and provide increasingly effective support for Community Foundation growth will help achieve sector-wide and nation-wide growth objectives.

'Community Foundations in Australia': Blueprint for Growth' makes the case that strengthening Community Foundations is a critically important contribution to strengthening civil society.

The time is right for this investment.



Appendix

Opportunities for the Community Foundation sector

There are many opportunities for Community Foundations to increase practical contributions in their communities for the common good. Following are a few examples of project-based opportunities to build out the sector with the help of ACP as sector champion, connector, skills builder and advocate.

As ACP develops its capacity over the coming period to lead and coordinate sector-wide initiatives, these are some of the projects we plan to address together with our members – not necessarily in this order.

Vital Signs™

Vital Signs is an *extensive community-driven data program*⁷⁴, a methodology for measuring a community's vitality and assessing needs. Developed by the Toronto Community Foundation in 2001, it has evolved into a program licensed internationally by Community Foundations of Canada (CFC). Community Foundations around the world use **Vital Signs** to build the evidence base about their local community's characteristics, health and priority needs.

The practical use of **Vital Signs** for a Community Foundation is illustrated in this observation:

We've always known about the issues people in our communities are facing but Vital Signs enables us to share the full picture with everyone we meet. Even a key stakeholder at a local council said, 'We've never had all this information in one place before.' As a result, we're raising new funding to tackle the root causes of the

*problems people here face and inspiring more philanthropy to help give everyone a fair chance of a good life.*⁷⁵

Sue Turner, CEO Quartet Community Foundation (UK)

Under an agreement with CFC, ACP manages licensing of **Vital Signs** to Community Foundations in Australia (with the exception of LMCF).

Vital Signs has been comparatively slow to take off in Australia. Since 2008, six Community Foundations have between them published seven Vital Signs reports.⁷⁶ One or possibly two further report(s) are expected to be released in 2020.

By contrast, **Vital Signs** was introduced in the United Kingdom by the sector peak body UK Community Foundations in 2013. By 2017, 53 Vital Signs reports had published in the UK, 16 of them in 2017 alone. UK Community Foundations has published its own report using its members' Vital Signs findings to raise awareness of the likely impact of "Brexit" especially for disadvantaged communities and to urge action.⁷⁷

In Australia, there has been fresh interest in this program in 2020 in the wake of a professional data mining company entering the NFP market. Northern Rivers CF in northern NSW has signed up for its first VS report, while LMCF is in the process of preparing its second update (third report overall) for the Greater Melbourne area.

The four South Australia-based Community Foundations have joined forces with a philanthropic sponsor to explore the idea

⁷⁴ <https://www.communityfoundations.ca/initiatives/vital-signs/>

⁷⁵ 'Vital Signs and the UK Voluntary Sector: Utilising the UK Community Foundations' Vital Signs initiative to model philanthropic giving.', UK Community Foundations, December 2018, p.15

⁷⁶ <https://www.australiancommunityphilanthropy.org.au/vital-signs/>

⁷⁷ 'Vital Signs and the UK Voluntary Sector: Utilising the UK Community Foundations' Vital Signs initiative to model philanthropic giving.', UK Community Foundations, December 2018.



of undertaking Vital Signs concurrently for their respective communities. The Tasmanian Community Fund has expressed interest in Vital Signs for the island state, as has Inner North Community Foundation in Melbourne.

ACP in its skills builder capacity has a role to play in developing better resources to support Community Foundations undertaking Vital Signs, and as sector champion needs to strengthen marketing and promotion for Vital Signs to help build the national Community Foundation network and to create a platform for building the public profile and reputation of community philanthropy.

Transfer of Wealth

Intergenerational Transfer of Wealth has been a 'hot button' issue in the charity and not-for-profit sector in recent times. An unprecedented amount of private wealth was expected to be passed on from the baby boomers to the next generation with charities everywhere gearing up to capitalise on this opportunity. *Legacy Foresight* in the UK⁷⁸ and *Include a Charity*, a campaign initiated by the Fundraising Institute of Australia⁷⁹ are just two examples of structured efforts to help charities benefit from growing their income through gifts in wills.

The longer-term economic fall-out from the COVID-19 pandemic will undoubtedly impact on actual transfers of wealth over the coming decade or two, with the financial dimensions of this difficult to estimate at this point. Even so, it is likely that bequests will continue to represent the single largest gift an individual will make and general transfer-of-wealth principles in fundraising will remain valid.

Many Community Foundations operate in communities where people do not traditionally think of themselves as having the kind of wealth that is able to create a

legacy. In community philanthropy, a large part of transfer of wealth campaigning is about highlighting the philanthropic potential of their communities and inspiring a culture of local planned giving. Community Foundations abroad have led the way with such campaigns, to good effect. The "Keep 5 in Kansas" campaign by the Kansas Association of Community Foundations is one such example.⁸⁰

Inspired by overseas examples, *Into Our Hands* Community Foundation in north-eastern Victoria has taken the lead in 2019 to create Australia's first research-based and data-driven Intergenerational Transfer of Wealth campaign for their community. The Foundation is keen to help create a national campaign based on its pioneering effort. ACP is the natural partner for coordinating a national platform for Transfer of Wealth campaigning for Australia's Community Foundations.

It is an opportunity for Community Foundations to inspire local generosity through bequests to secure an enduring funding stream for civic life for their local communities. Over time, this will also lead to stronger operational capacity for the Foundations as a result of accelerating growth of funds under management.

Unlocking stranded community assets

In 2016, the value of lost shares, insurance and bank accounts in Australia was estimated to be in the order of \$1.1 billion.⁸¹

Some of these assets were generated through community effort (volunteering, fundraising). They were intended for charitable purposes, a purpose that persists after contact with the rightful owner has been lost.

⁷⁸ <https://www.legacyforesight.co.uk/>

⁷⁹ <https://www.includeacharity.com.au>

⁸⁰ <http://keepfiveinkansas.com/>

⁸¹ <https://www.moneysmart.gov.au/tools-and-resources/find-unclaimed-money>

The process of recovering lost monies or reassigning them to a new owner / stewarding organisation is far from straight-forward, resulting in many millions of dollars that should be put to use for community benefit not being accessible for this purpose over an extended period of time.

The philanthropy sector needs to take the lead in unlocking unclaimed charitable resources. ACP as sector champion aims to make a case for Community Foundations to be recognised as partners of first choice to steward stranded assets that originated from, and / or were specifically intended for use in their local communities. The 2018 publication *'Building Resources For Local Community Groups through utilising inactive Charitable Trusts'* by UK Community Foundations is an inspiring example of leadership from a Community Foundation peak body in this space.⁸²

Reclaiming stranded assets intended for community benefit can help grow endowments for enduring impact in the community, a central concern for community philanthropy.

Accreditation

Community philanthropy is largely grassroots- and volunteer-based; it operates differently from private or corporate philanthropy. It would be fair to say that the regulatory environment has been designed from an assumption that philanthropy organisations work largely like business and that a professional staff will be able to ensure compliance with complex requirements. In reality, the rules are often onerous for volunteer governance bodies, particularly in regional areas. This does not mean that governance is sub-standard; it just looks different in a community philanthropy context.

While trust in Community Foundations is high among their local communities, these Foundations typically have a low public profile outside their local area. External stakeholders may find it challenging to undertake a due diligence assessment from afar when trying to decide whether to fund or partner with a Community Foundation. This is an issue for community philanthropy not just in Australia.

Peak organisations elsewhere have created accreditation programs tailored to the realities of the Community Foundation sector to provide assurance to donors, partners and the general public over and above government charity registration. Stand-out examples are the UKCF Quality Accreditation programme⁸³ established in 2007, and the Alliance of Community Foundations' 'Seal of Approval' that has been in operation in Germany since 2003.⁸⁴ These are continuous improvement programs that Community Foundations embrace.

"Quality Accreditation is an initiative that was developed and supported by all members because it:

- 1. provides protection for the "Community Foundation" brand...*
- 2. enables regional and national collective working through a "once every three year" due diligence exercise [that] confirms that members have the capacity and capability to deliver*
- 3. enables UKCF to plan development for the network based on identifying examples of excellent practice as well as addressing common issues and challenges."*⁸⁵

⁸² https://i.emlfiles4.com/cmpdoc/0/8/7/8/7/files/506723_building-resources-for-local-community-groups.pdf

⁸³ UKCF Quality Accreditation programme

⁸⁴ <https://www.buergerstiftungen.org/de/quetesiegel/>

⁸⁵ UKCF Quality Accreditation programme



Accreditation typically defines standards that need to be met across a range of indicators such as Strategy, Governance, Financial and Information Management, Donor Management and Grant Making, and Organisational and Network Development.

ACP believes that Community Foundations across Australia would welcome the establishment of such a program for our sector and aims to prioritise this as a sector development project as resources permit.

Regulatory reform

Advocacy is a core function of an effective peak body. Advocacy campaigning needs resources for research, preparing campaign collateral, building a coalition of active supporters, direct engagement with elected representatives, decision-makers and regulators. Above all, it needs persistence and continuity of key people to build relationships with counterparts. To date, ACP has not been able to resource the advocacy portfolio effectively.

For Australia's Community Foundations, there is an urgent need for regulatory reform especially around the application of the Deductible Gift Recipient (DGR) regime. The 2020 bushfires and pandemic have once again brought into sharp focus how the current regulatory environment challenges Community Foundations trying to deliver rapid response disaster relief on the ground.

Community Foundations are hamstrung in their ability to raise funds and disburse grants in a timely, efficient and cost-effective way, especially in regional areas, under the constraints of their existing DGR2 status.

DGR reform has been a long-running issue for the sector. Over many years, Community Foundation leaders have through their

own efforts and networks, through their Foundations, and through ACP made the case for change repeatedly to successive governments. ACP has not been in a position to keep the issue persistently at front of mind with key stakeholders, and there has been little progress to date.

ACP has a strategic commitment to pursuing this matter until it is resolved. This will be helped by investment in a stronger brand, resourcing campaign design and delivery, and coordination for Community Foundations and supporters of community philanthropy.

Partnering with government

Government and philanthropy are both interested in creating and sustaining vibrant communities. And both policy and philanthropy are increasingly leaning toward place-based approaches, recognising that community-led and locally relevant solutions are more likely to achieve lasting outcomes.

Community Foundations have a unique role in convening and guiding locally-led efforts to improve communities; a role that goes well beyond money – they hold trusted local relationships, foster networks, and have a deep understanding of place and context. This can mean the difference between a successful investment or not.

Local government is often involved with a Community Foundation in its area. For state or federal government looking for Community Foundation partnerships for better place-based outcomes, a central contact point is important to identify the most appropriate partner within the network and broker introductions to create relationships for better public service delivery to local communities.

In Canada and in the UK, the respective Community Foundation peak bodies are well established as the go-to organisations for government wishing to work with and through Community Foundations. Partnering with government is a business stream and contributes revenue to these organisations; an example is the “Building a Stronger Britain Together”⁸⁶ program in which UKCF managed distribution of public funding provided by the UK Home Office. UKCF receives a significant share of its annual revenue from partnering with government in such programs.

In Australia, ACP has yet to position itself in that way. To do so, the organisation needs to increase its profile as sector champion and its capacity to interact regularly with key stakeholders in government at different levels, creating relationships as a basis for partnering.

In a sense, partnering with government is a corollary to advocacy. It requires having appropriate staff time available; data, information and professional communication; a strong and credible brand, reputation and trust.

It will benefit the Community Foundation sector to have a credible and capable peak organisation to lead, represent and coordinate Community Foundations in pursuing such opportunities. It is ACP’s responsibility to provide this sector leadership, which it will build from a basis of increasing strength in organisational capacity.

International collaboration

The Community Foundation model has been adopted sooner and more widely in other parts of the world. Australian Community Foundations have much to learn from international peers – and have some unique experiences to share.

ACP enjoys collegiate and collaborative professional relationships with its peer support organisations in New Zealand, Canada, the UK and Europe. There may be opportunities for closer collaboration, especially with New Zealand, to cross fertilise ideas, share resources and create critical mass for activities like conferences.

Preliminary scoping was undertaken in 2017 to develop an international learning exchange program for Community Foundation practitioners from different countries, to be coordinated between the relevant peak bodies. This could be revisited and developed further, if there is sufficient interest.

⁸⁶ <https://www.ukcommunityfoundations.org/our-programmes/bsbt>



Bibliography

Bibliography

- Arkles, L.: *Mapping the Community Foundations Movement*. Final report. ACP, 2014
- Australian Community Philanthropy: *Community Foundation Census 2019*, unpublished research
- Bentley, M. and Webster, M.: *'Leadership and the Lifecycles'*, date not known
- Bernholz, L., Fulton, K. & Kasper, G.: *On the brink of new promise: the future of U.S. Community Foundations*, Blueprint Research & Design and the Monitor Group, 2005
- Catherine Brown & Associates P/L: *'Making community philanthropy work. Overcoming legal and regulatory barriers facing community foundations in Australia'*, Philanthropy Australia & FRRR, March 2003.
- Carson, E.D.: *'The Road Not Yet Traveled: A Community Foundation Movement for Social Justice'*, Community Foundations: Symposium on a Global Movement, Berlin, 4 December 2004
- Charles Stewart Mott Foundation:
- Community Foundations: Rooted locally, growing globally*. Annual Report 2012
 - Grant database <https://www.mott.org/grants/>
 - Sowing the Seeds of Local Philanthropy: Two Decades in the Field of Community Foundations*, March 2001
 - The Case for Community Philanthropy*, December 2013
- Department of Social Services, FRRR and Philanthropy Australia: *Leading practice in community & philanthropy partnerships. Lessons from Community and Philanthropy Partnerships Week 2015-2017*.
- Doan, D.R.H.: *What is community philanthropy?* Global Fund for Community Foundations, Johannesburg, August 2019
- European Community Foundation Initiative:
- A Guide to Community Foundations in the United Kingdom*. Bundesverband Deutscher Stiftungen e.V., Berlin 2017
 - Building Bridges for Local Good. A Guide to Community Foundations in Europe*. Bundesverband Deutscher Stiftungen e.V., Berlin 2017
- Foundation for Rural & Regional Renewal:
- Disaster Resilient: Future Ready*, July 2017. Joint publication with the Prince's Trust.
 - Impact Report 2000-2016*, October 2017
 - Lessons in Disaster Recovery. Learning from FRRR's response to the 2009 Victorian Bushfires*. December 2012. Summary of report authored by Helen Morris.
- FRRR, Catherine Brown & Associates P/L: *Community Foundation Success Factors*. Research Project Report, Nov. 2005
- Fuller, E.: *Unlocking the potential of Australian Community Foundations: Influencing a more locally responsive and effective allocation of resources*. Center for Philanthropy and Civil Society, CUNY, 2014.
- Goggins, A.G. & Howard, D.: *The Nonprofit Starvation Cycle*, Stanford Social Innovation Review, Fall 2009
- Hamilton, R., Parzen J. and Brown, P.: *Community Change Makers: The Leadership Roles of Community Foundations*, Chapin Hall discussion paper, 2004



Hodgson, J. & Knight, B. and Wilkinson-Maposa, S.:

New Horizons for Community-led Development. Recommendations for Funders. Global Fund for Community Foundations, March 2019

Hodgson, J. & Knight, B.: *More than the Poor Cousin? The emergence of community foundations as a new development paradigm.* Global Fund for Community Foundations, June 2010

Hodgson, J. & Pond, A.: *How Community Philanthropy Shifts Power.* GrantCraft Leadership Series, Foundation Center, 2018

Hodgson, J. Knight B. & Mathie, A.: *The new generation of Community Foundations.* Global Fund for Community Foundations, March 2012

James Irvine Foundation: *Growing Smarter. Achieving sustainability in emerging Community Foundations,* 2007

Knight, B: *Community Foundation Atlas – Dimensions of the Field,* 2014

Leat, D.:

Case Studies of Organizations supporting Community Foundations, WINGS-CF, 2002

The Development of Community Foundations in Australia. Recreating the American Dream. QUT, 2004

Magowan, J.: 'A pivotal moment for community foundations', April 2020, <https://www.alliancemagazine.org/blog/a-pivotal-moment-for-community-foundations/>

McLeod, J.:

The Support Report, JBWere, June 2018

Where to from here? The outlook for philanthropy during COVID-19. JBWere, April 2020

Ross, N.: *Local Leadership, Global Impact: Community Foundations and the Sustainable Development Goals,* Council on Foundations, 2018

Sacks, E.:

Community Foundations Global Status Report, WINGS-CF, May 2005

The Growth of Community Foundations around the World. Council on Foundations, 2000

Seibert, K.: *Snapshot of Sub-funds in Australia,* CSI Swinburne, March 2019.

UK Community Foundations: *Building Resources For Local Community Groups through utilising inactive Charitable Trusts,* 2018

UK Community Foundations: *Vital Signs and the UK Voluntary Sector: Utilising the UK Community Foundations' Vital Signs initiative to model philanthropic giving.*, December 2018

Worldwide Initiatives for Grantmaker Support (WINGS):

Infrastructure in focus: a global picture of organisations serving philanthropy, Sao Paolo, 2013

The Global Landscape of Philanthropy, January 2018

Unlocking Philanthropy's Potential. What funders can do build strong philanthropy support ecosystems, 2018

Other (re)sources

Australian Charities and Not-For-Profit Commission (ACNC)	https://www.acnc.gov.au/
Australian Community Philanthropy	https://www.australiancommunityphilanthropy.org.au/
Bündnis der Bürgerstiftungen Deutschlands (Alliance of Community Foundations of Germany)	https://www.buergerstiftungen.org/de/
Community Foundations of Canada	https://www.communityfoundations.ca/
Community Foundations of New Zealand	https://communityfoundations.org.nz/
Council on Foundations (USA)	https://www.cof.org/
Edelman Trust Barometer	https://www.edelman.com.au/ https://www.edelman.com/20yearsoftrust/ https://www.edelman.com.au/research/ edelman-trust-barometer-2020
European Community Foundation Initiative	https://www.communityfoundations.eu/
Foundation for Rural and Regional Renewal	https://www.frrr.org.au/
Global Fund for Community Foundations	https://globalfundcommunityfoundations.org/
Philanthropy Australia	https://www.philanthropy.org.au/
Regional Australia Institute	http://www.regionalaustralia.org.au/
UK Community Foundations	https://www.ukcommunityfoundations.org/





Australian Community Philanthropy

General enquiries

0419 350 240

info@australiancommunityphilanthropy.org.au

Communications enquiries

comms@australiancommunityphilanthropy.org.au

Postal address

Australian Community Philanthropy

PO Box 3359

East Melbourne VIC 3002