

Policy Priorities and Processes: Perspectives of Australian stakeholders – Philanthropic Perspective

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My task is to address the following questions:

To what extent are those engaged in philanthropy interested in influencing public policy?

How do the philanthropists go about influencing public policy?

Who is encompassed by the term philanthropy?

Family, private, corporate and community trusts and foundations, corporations with a 'philanthropic giving program', and individuals who make grants and donations.

The R E Ross Trust, of which I am the Executive Officer, is a Charitable Trust. Under the terms of Roy Ross' will which established it, the Trust makes grants to Victorian-based organisations for charitable purposes.

What is covered by the term public policy?

For purposes of looking at philanthropy's interests and activities, I am including both:

- public policy decided formally at Cabinet and Ministerial level and by elected Local Government members; and
- public policy as expressed through major programs managed by government agencies and the provision of government funding.

Philanthropy influences two types of public policy.

Public policy which affects philanthropy, including:

- policy which affects the operations of philanthropic bodies and individuals; and
- policy which promotes and facilitates growth in philanthropy.

The wide diversity of public policy - social, economic and environmental - where public benefit is involved.

Philanthropy influences public policy both indirectly and directly.

Indirect influence:

Indirect influence is exerted as a consequence of some of the actions of philanthropic bodies but philanthropic bodies also deliberately seek to influence public policy indirectly.

The most significant areas of indirect influence by philanthropy are:

- active indirect influence exerted by the funding of public institutions, particularly arts, cultural, educational and scientific;
- passive indirect influence exerted by the refusal, incorporated into the operating policies of philanthropic bodies, to make grants in areas considered to be the responsibility of governments; and
- a mixture of active and passive exerted through the requirements made of grant-seeking organisations by philanthropic bodies.

Active indirect influence

It is hard to imagine the National Gallery of Victoria achieving the support which has been provided by Victorian governments over the years without the around 41,000 items contributed to the Gallery's collection through the Alfred Felton Bequest.

It is similarly hard to imagine that the major medical scientific research institutions based in Melbourne would have been able to attain their current status without the philanthropic funding that helped to establish and secure them and to leverage government support.

Passive indirect influence

Whether the refusal to support areas of so-called government responsibility has had any influence of significance is untested.

Active/passive indirect influence

Many philanthropic bodies impose requirements on grant-seeking organisations which are aimed at making the results of the funded activities relevant to public policy.

The main such requirements are that in order to obtain a grant:

- projects must be innovative or seeking to solve a difficult or persistent social or environmental problem in new ways;
- projects must be evaluated to determine their success or otherwise; and
- results must be widely disseminated.

Also sought by some philanthropic bodies, although falling short of being requirements, are that projects be able to be replicated and scaled up to operate as programs.

Direct influence:

Direct influence is sought by philanthropic bodies through:

- providing financial grants and other support to organisations engaged in advocacy on behalf of population groups, such as those with a disability, and in relation to issues, such as conservation;
- providing financial grants to enable review of the effectiveness of public policy and development of alternative policies.

- providing financial grants to enable the collection, analysis, reporting and dissemination of a wide range of economic, social, scientific and environmental data for the purposes of informing the development, review and revision of public policy;
- providing financial grants to enable non-government organisations to conduct action research and other projects designed to test new approaches to meeting high priority community needs; and
- direct engagement with governments and government agencies in the discussion of public policy.

The direct influence is undertaken both unilaterally and jointly with other philanthropic bodies and other groups. The influence sought is both small scale and large scale. It covers all three levels of government – Commonwealth, State and Local.

Examples of direct influence:

There are many examples of direct influence. Details about the examples that are listed below are available separately. Some are completed and have achieved their goals and others are current.

1. Philanthropy Australia - Income Tax legislation affecting philanthropic giving.
2. Philanthropy Australia, the Foundation for Rural and Regional Renewal and others – establishment of Community Foundations as a method of growing philanthropy.
3. Philanthropy Australia, with others – establishment of the National Roundtable of Nonprofit Organisations.
4. The R E Ross Trust –conservation of indigenous flora and fauna.
5. The Ian Potter Foundation – The Potter Farmland Plan.
6. The Myer Foundation – restoration of the Snowy River.
7. The William Buckland Foundation – the Buckland Lighthouse Schools Project.
8. The R E Ross Trust – the Victorian Drug Policy Expert Committee.
9. The Stegley Foundation – Community Advocacy Training.
10. The Myer Foundation, The R E Ross Trust, The Ian Potter Foundation and others – The Centre for Public Policy (The University of Melbourne) New Social Settlement Project.
11. The Myer Foundation – 2020 A Vision for Aged Care in Australia.
12. The William Buckland Foundation – research to support policy changes affecting people who are homeless.

13. The Jack & Robert Smorgon Families Foundation – establishment of the Australian Council for Children and Youth Organisations.

14. The R E Ross Trust – Towards the Early Years: Refocusing Services for Children and their Families.

1. Philanthropy Australia - Income Tax legislation affecting philanthropic giving.

Philanthropy Australia (www.philanthropy.org.au) has been one of three members of the Taxation Sub-Committee of the Prime Minister's Community Business Partnership and its predecessor Roundtable. Through the work of that Committee and of Philanthropy Australia, before the establishment of the Sub-Committee, very significant positive changes have been made by the Commonwealth Government to Income Tax legislation as it affects philanthropy. Examples include, refund of imputation credits to charities, granting of income tax deductibility for gifts of art and land for conservation, spreading of donations over five years for tax deductibility purposes.

Philanthropy Australia continues to identify other changes which would be beneficial to a growth of philanthropy in Australia and the current agenda can be seen on its web site.

2. Philanthropy Australia, the Foundation for Rural and Regional Renewal and others – establishment of Community Foundations as a method of growing philanthropy.

Philanthropy Australia has a key objective of growing philanthropy in Australia. Its efforts to promote community foundations have been motivated by recognition that internationally, community foundations are the fastest growing form of philanthropy

This objective has received support from government through the funding by two Commonwealth departments of:

- feasibility studies for five new community foundations; and
- the establishment of two new urban community foundations. One in Newcastle and the second not yet confirmed

It has also initiated establishment of the Canberra Community Foundation and

- with Charities Aid Foundation, initiated establishment of the Sydney Community Foundation; and
- with the Foundation for Rural and Regional Renewal (www.frrr.org.au), commissioned a research paper "Making community philanthropy work:- Overcoming legal and regulatory barriers facing community foundations in Australia" This is an important development - it recommends substantial changes to the structure of community foundations, and the nature of the programs they are able to fund. The submission is now with the Commonwealth Government.

3. Philanthropy Australia, with others – establishment of the National Roundtable of Nonprofit Organisations.

Philanthropy is closely connected with the non-profit sector, and one of its primary objectives is to support the capacity of that sector. For these reasons it is actively supporting the establishment of a National Roundtable of Nonprofit Organisations in Australia. Organisations with similar charters to that being developed in Australia, that is, to recognise, encourage, promote the interests of the non-profit sector and play an important role in representing these to government, the private sector, the community and the media, already exist in the USA, Canada and UK.

The following extracts from a paper prepared recently by Professor Mark Lyons, University of Technology, Sydney - WHY A THIRD SECTOR ROUNDTABLE? – illustrate the issue.

Australians commonly divide the world of organisations into two: business and government. But there are hundreds of thousands of organisations that are neither part of government nor run to make a profit for their owners. Third sector organisations are the product of private initiative. The great majority are both democratically governed and constrained from distributing any profit to members. A very few modify one or other (but never both) of these two distinguishing features.

What third sector organisations have in common (and what distinguishes them from organisations in the other two sectors) are six features: the centrality of values; the complexity of revenue generation; their reliance on volunteers; the difficulty they have in judging their performance; their complex accountabilities and the likelihood that they will experience board/staff conflict.

In Australia, the capacity of the third sector to adapt to a new environment and to grow is limited by the **low recognition** of the sector, and by **failure of public policy** to accord it the recognition and encouragement that is provided business. The logic of this analysis leads to a conclusion that a similar initiative is needed in Australia to that which helped transform the level of recognition of the sector, and its position in public policy in Canada, England and the United States.

A roundtable should be comprised of peaks representing at least significant groups of nonprofits in particular fields. They at least can claim to have a familiarity with the issues facing their members. A body comprised of self-selected individual nonprofits or a mix of individual nonprofits and peaks cannot work. Such models do not exist elsewhere.

4. The R E Ross Trust –conservation of indigenous flora and fauna.

In the will establishing The R E Ross Trust (www.rosstrust.org.au) Mr Ross gave absolute discretion to his Trustees but required that grants be made to organisations which fell within one of the categories specified in Section 21 of the Victorian Probate Duty Act and in Section 8(5) of the Commonwealth Estate Duty Assessment Act, that is the sections providing for duty exemption.

Mr Ross also expressed two wishes: ‘that in paying or applying the said income my Trustees shall having regard to the circumstances prevailing from time to time give consideration to the desirability of the provision of funds for

- the education and maintenance of foreign students in Australia and
- for the acquisition preservation and maintenance of national or public parks and particularly the protection of flora and fauna’.

The first Trustees decided that they wanted to meet Mr Ross’ two wishes.

The ability of the Trustees to meet the first wish was clear as education is a charitable purpose. The second wish would be considered “beneficial to the community” but in 1970, when the Ross Trust was established, the Victorian Probate Duty Act and the Commonwealth Estate Duty Assessment Act created problems. In a 1972 legal opinion provided to the Trustees, it was concluded that these laws meant that the Trust could not acquire land purely for the purposes of conservation in its natural state; that the land acquired must be used for an educational purpose.

To overcome this barrier, the Trustees established a sub-committee to pursue the passage of legislation to enable the Trust to donate land to Government organisations. In 1972, they discussed the matter with Rupert Hamer, who was already thinking about how a Victorian State Government could establish a non-governmental organisation to enable people to give land or money for conservation or who wanted their own properties conserved.

Elected to Government in August 1972, Mr Hamer as Premier saw to the creation of the Victorian Conservation Trust (renamed Trust for Nature in 1995) with power to accept gifts, devise and bequests for the purposes of land conservation. This enabled the Ross Trust to make grants to the Victorian Conservation Trust to enable it to purchase land with high conservation values.

Commonwealth government approval was also given for income tax deductibility for gifts of land to the Victorian Conservation Trust. In 2003, the Commonwealth Minister for the Environment has announced that tax deductibility will be extended for gifts of land for conservation to other organisations.

5. The Ian Potter Foundation – The Potter Farmland Plan.

In 1984, The Ian Potter Foundation (www.ianpotter.org.au) initiated the Potter Farmland Plan with an initial grant allocation of \$250,000 each year for three years. The aim was to establish demonstration projects on 15 existing farms in Victoria’s Western District. The project aimed to show that, working with farmers and using readily available techniques, some of the main causes of land degradation can be addressed and rural land can be managed to gain maximum production, while still working within the bounds of sustainability.

The Victorian Minister then responsible for conservation, forests and lands gave support to the project as did a range of other key stakeholders, particularly farmers. The local community became involved in various projects on the Potter farms, including tree planting. Two farms from northern Victoria and several from Queensland, South Australia and Western Australia also became “Potter” farms.

In 1990, a Video Series “On Borrowed Time – A guide to the Potter Farm Plan” and its Companion Guide were produced. By that time, the project had gained the attention of Commonwealth and State governments and over 5,000 people from Australia and overseas had visited the farms.

One of the important features of the Potter Farmland Plan was its rigorous external evaluation. This is probably one of the reasons that the Plan helped to change public policy and give rise to Landcare.

6. The Myer Foundation – restoration of the Snowy River.

Responding to concerns of people living and working in East Gippsland, Victoria, The Myer Foundation (www.myerfoundation.org.au) provided funding for a scientific study of the health of the Snowy River. The research concluded that an increase in water flow was vital to the survival of the river.

In collaboration with others, The Myer Foundation took the research findings to the relevant government Ministers and agencies to argue for an increase in flow. Such an increase was at that time contrary to the policies of the four governments involved – Commonwealth, New South Wales, South Australian and Victorian.

The scientific evidence presented and the modelling of effects of different flows were extremely influential in the outcome which changed public policy. The first increase in flow has occurred and further increases are scheduled.

7. The William Buckland Foundation – the Buckland Lighthouse Schools Project.

The Lighthouse Schools Project aims to generate models of best practice in educational programs which reduces alienation and increases the engagement of students in the middle years of schooling (years 7 – 9).

Developed by the Education Foundation (www.educationfoundation.org.au), at the invitation of and with multi-year funding from the William Buckland Foundation, the project is now in its third and final year, providing funding to five Victorian ‘Lighthouse Schools’. The schools were selected to implement distinctive programs, with aims to produce evidence of:

- Positive change in the educational experiences of young people
- Young people developing positive views of themselves
- The development of partnerships within school communities to enhance the quality of life for young people

The five schools were chosen from over 75 applications, all of which focussed on the educational needs of students in the middle years of schooling (years 5 – 9) in exciting and insightful ways. The final choices demonstrated an inter-related mix of challenging and engaging curriculum, developmentally appropriate teaching / learning practices, and responsive structure and organisation.

Some common features across all five schools include:

- use of teacher teams to coordinate curriculum
- development of curriculum and the places where it is delivered to meet the physical, educational, psychological and social needs of young adolescents
- establishment of extensive links with the community beyond the school

8. The R E Ross Trust – the Victorian Drug Policy Expert Committee.

In 1999, The R E Ross Trust approached the Chairman of the Victorian Drug Policy Expert Committee to see what useful assistance the Trust could provide. The Committee had been established by the Victorian Government to review the Government's drug policy and propose changes to policies and programs.

The Committee's Chairman advised the Trust that there was a significant gap in relevant research and a Trust grant to enable that research would make a lasting contribution. The gap was a lack of research on why people start using drugs and how and why some but not others make the transition from "recreational" use of drugs to dependent use.

The Ross Trust went on to grants funds for three element of research work. First, a multi-disciplinary team led from The University of Melbourne undertook a comprehensive review of relevant literature on the antecedents of illicit drug use with particular reference to adolescents.

Second, a team of researchers from The University of Melbourne and the Australian Institute of Family Studies conducted a series of in-depth analyses of data collected in the Australian Temperament Project, a large-scale, on-going longitudinal study which had (to that date) followed 2,443 Victorian children from infancy to 17 years. The results were published as "Patterns and Predictors of Teenagers' Use of Licit and Illicit Substances in the Australian Temperament Project Cohort".

Third, a two-day workshop brought together leading local and international experts to discuss approaches to prevention and the latest research developments. That workshop assisted the Committee to refine its approach and to produce its paper "Developing a Framework for Preventing Drug Problems".

9. The Stegley Foundation – Community Advocacy Training.

By the early to mid 1990's, advocacy organisations were losing government funding and disappearing, or were afraid to speak out for fear of losing funding: Together with RMIT University's School of Social Science, the Stegley Foundation came up with a number of initiatives to meet the needs identified by advocacy organisations at a workshop convened by the Foundation. Following a very successful three day Winter School on Advocacy and Social Action held in July 1999, a permanent Community Advocacy Unit was set up within RMIT's School of Social Science and Planning. Establishment funding was provided by the Stegley Foundation and RMIT and since then a private donor has provided additional funding.

The Community Advocacy Unit runs accredited courses, forums, workshops and seminars, facilitates research and runs an annual media skills workshop for community organisations. The Stegley Foundation also established a Community Advocacy Education Fund with the Melbourne Community Foundation, to help subsidise community activists who would otherwise not be able to participate in training and advocacy skills development.

[Source: "Limited Life – Lasting Change The Story of the Stegley Foundation 1973 – 2001" by Carol Fabian]

10. The Myer Foundation, The R E Ross Trust, The Ian Potter Foundation and others – The Centre for Public Policy (The University of Melbourne) New Social Settlement Project.

This two year project, commencing in April 2000, aims to develop a framework for rethinking the future of social policy in Australia, with an emphasis on labour market and household change. The project involves research partnerships between the Centre for Public Policy, academics from Deakin and Monash Universities, the Committee for Economic Development of Australia and the Brotherhood of St Laurence. Funding has come from the Australian Research Council, the Committee for Economic Development of Australia, the Brotherhood of St Laurence and The Myer Foundation.

In October and November 2002, the project embarked on its National Consultation Strategy. Funded by The R E Ross Trust, the Consultation Strategy was designed to draw on the expertise of key policy players in academia, business, unions and the community sector in order to discuss policy directions for the 21st century.

Over the 2003 and 2004, the Centre for Public Policy and its partners and researchers will be working to grapple with the issues raised in the Consultations. This will be done through the National Clearing House Project which is being funded by The Ian Potter Foundation.

11. The Myer Foundation – 2020 A Vision for Aged Care in Australia.

The Myer Foundation, through an initiative of the outgoing Chairman of the Sidney Myer Fund, Baillieu Myer AC, and Sir Arvi Parbo AC, recognised that the philanthropic sector was uniquely poised to create the environment in which thoughtful and vigorous discussion about the future of aged care in Australia could flourish.

To this end, it established 2020 A Vision for Aged Care in Australia. Combining research, discussion and public policy dialogue, the project embraces the complex issues of aged care service provision and analyses what has to be done now, to get it right for older Australians 20 years hence. By taking a 20-year view, the project aimed to move beyond the very immediate issues of the day and address the greater challenges of the next few decades. The timeline was also seen to be tight enough to accurately understand the needs of the present community of older Australians.

In the first nine months of the project, from early 2002, some of Australia's leading aged care experts were engaged to prepare a series of discussion papers addressing the major issues likely to influence aged care over the next 20 years. These experts met - together with opinion leaders reflecting the interests of government, industry, providers and consumers - to consider the principles, policy and program directions that will best address the issues raised. The Allen Consulting Group was commissioned to study the costs and funding issues related to aged care in Australia and the Municipal Association of Victoria, a peak body for Victorian Local Government, was commissioned to undertake a Housing and Community Care (HACC) study.

“2020 A Vision for Aged Care in Australia” was launched in November 2002. Its Five-Point Plan is the subject of ongoing discussions with the Commonwealth Government and its agencies and the wide range of others involved in aged care. Its final impact on public policy is a work in progress.

12. The William Buckland Foundation – research to support policy changes affecting people who are homeless.

In 2000, The William Buckland Foundation decided to make a three year grant to Hanover Welfare Services for the Hanover Family Outcomes Study (HFOS); a longitudinal study of 42 families who have experienced housing crisis.

The aim of the Study is to gain an understanding of the pathways out of homelessness, and to identify the key issues associated with establishing and maintaining housing and family stability (Horn and Cooke 2001). Findings from the study will be used to frame public policy proposals.

The Study seeks to address the following specific research questions:

- To what extent does a family's housing stabilise in the longer term after a period of homelessness and crisis assistance?
- What issues contribute to decisions about housing moves and location of housing?
- What is the association between housing moves and job opportunities?
- What are the barriers to accessing and retaining stable housing?
- How important is the development of support networks on stable housing?
- What is the correlation between long-term housing outcomes and program exit outcomes?
- How is children's development and family wellbeing affected in the long-term after a housing crisis?

13. The Jack & Robert Smorgon Families Foundation – establishment of the Australian Council for Children and Youth Organisations.

In 2001, The Jack & Robert Smorgon Families Foundation identified a deficiency in public policy as it related to care and protection standards applying to organisations working with children and young people. The Foundation invited a range of other organisations, including philanthropic bodies, to collaborate with it in establishing the Australian Council for Children and Youth Organisations.

The Council, which is now established and operating, is an organisation whose objective is to ensure that not-for-profit organisations working with children and young people comply with minimum standards for client safety, client rights and responsibilities and quality of care and that they provide services which are effective and the outcomes of which can be measured through a publicly transparent process. In summary, its twin objectives are advocacy and accreditation.

The Council is actively promoting this objective to governments and organisations working with children and young people. It has achieved the support of the Chief Commissioner of Police for Victoria, the Chief Magistrate of Victoria and the President of the Victorian Children's Court and many others.

A number of Charitable Trusts, including The R E Ross Trust, have provided financial grants to the Council.

14. The R E Ross Trust – Towards the Early Years - Refocusing Services for Children and their Families.

In 2001, the Ross Trust provided a grant of \$90,000 to the Centre for Community Child Health (www.rch.org.au/ccch) to work with Good Beginnings Australia (www.goodbeginnings.net.au) on Phase One of a multi-year project to refocus community-based services for young children and their families. The aim is to refocus service delivery towards prevention, early detection and early intervention rather than trying to manage established problems. Phase One of the project examined recent research evidence, tested ideas with community organisations and members and Local Government, identified the tools and types of assistance required and prepared a Literature Review.

Phase Two, the definitive three-year phase of the project, has now begun with a commitment from the Ross Trust of a multi-year grant of around \$700,000. This Phase is designed to develop, implement and evaluate a range of processes, structures, materials and resources which will support communities in refocusing their services for children and families. The aims are to improve co-ordination between different programs and different professional groups; utilise evidence-based methods of early detection of problems and risk factors; engage with parents in service planning and delivery; work with Culturally and Linguistically Diverse communities; involve all stakeholders by establishing an appropriately constituted community reference group; design data collection tools such as community needs surveys and evaluation processes for different target audiences; undertake mapping exercises of resources and facilities available in the community; and address issues of sustainability.

These materials and resources, together with documented guidelines for community development processes and structures, will be developed in close consultation with several local government areas in Victoria. Once they have been completed and evaluated, they will then be made available to local communities throughout the country; in Victoria this will be pursued in partnership with the Municipal Association of Victoria. They are likely to be a valuable resource that will inform the increasing number of policy initiatives and service redevelopment frameworks that are taking place around the country, as governments and managers begin to realise the implications of the research evidence.

Already, the Project is working actively and collaboratively with the Victorian Department of Human Services assist its Best Start early childhood program and to undertake training for 1,938 early childhood workers across Victoria from June 2003 – July 2004 on some of the topics identified by the Project.