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Manager
Philanthropy and Exemptions Unit
Personal and Retirement Income Division
The Treasury
Langton Crescent
PARKES ACT 2600

DIRECTORS

Barrie Baker *Chair*
Caroline Andrivon
Mark Brian
Wayne Krause
Louise Manifold
Bernadette Northeast
Helen Paatsch
Bill Quinlan

Improving the Integrity of Public Ancillary Funds

Submission by

The South West Community Foundation as Trustee of the

South West Community Foundation Public Fund, The South West Community Foundation Open Fund, Scholarship Fund and the Colac Sub-Fund of the South West Community Foundation

The South West Community Foundation (SWCF) is an organisation established to provide the broader community with an opportunity to participate in community philanthropy through small scale donations and support maintained over a long period of time.

Unlike Private Ancillary Funds, which are normally endowed at a point of time, Community Foundations are built over many years and only become fully effective as philanthropic organisations through the aggregation of a corpus which provides support in perpetuity for this community.

The South West Community Foundation has been operating for 3 years and has just over \$500,000 under management. The aims of the SWCF are to work in strengthening the community of South West Victoria through the engagement of local philanthropy.

SWCF covers the region of The Great South Coast of Victoria including the municipalities of;

- Colac Otway
- Corangamite
- Warrnambool
- Moyne
- Glenelg
- Southern Grampians

The combined regional population is in excess of 126,000. Current Victorian Government projections indicate that the total population of the Great South Coast region is forecast to increase from 123,000 in 2006 to almost 140,000 people (or 12%) by 2026.

The SWCF, like other Community Foundations, supports community organisations within their regions by using funds generated through donations, endowments and bequests '*from the ground up*'.

South West Community Foundation is an independent, community managed initiative governed on a voluntary basis by a group of men and women from throughout the region and reflect a broad range of skills and community expertise. Members include lawyers, accountants, philanthropists, academics, business professionals, community workers and company directors.

Community Foundations are independent, non-profit, community-based philanthropic organisations whose goal is to encourage, facilitate and generate contributions from the community in order to address social, cultural and environmental issues.

They bring together people who care about their communities and aim to strengthen community by strengthening philanthropy. They can partner with donors to build permanent endowments and other funds, from which to support community projects, and also provide leadership on issues of broad community concern.

The concept of endowment is central to Community Foundations. They take a long term view, and are able to tackle long-term community challenges, as well as immediate needs. Donations to Community Foundations are gifts to meet community need in perpetuity. We need the capacity to aggregate and build a corpus, given that we are building it over a long period of time.

The role of the South West Community Foundation aligns with the aims of the Great South Coast Strategic Plan to strengthen the community through skills development, employment, education, health and wellbeing thus ensuring healthy and liveable communities.

Over the last three years, the South West Community Foundation has provided funding and support for a range of community organisations including;

- he Cudgee Community Hall rebuilding program T
- asterton and District Historical Society Inc. C
- arnambool Community Garden W
- he Warrnambool group of the Australian Breastfeeding Association Inc. T
- anawinka Geopark Inc. (Indigenous basket weaving course) K
- amilton Community house training program H
- nspiring Opportunities Inc. (Skills development for people with disabilities) I
- ullawarre Playgroup N
- ai Chi for Arthritis training program T
- obden Scout Group Hall upgrade C
- rrewarra CFA (equipment needs) I
- olac Police Youth Liaison Team programs C
- ilver Note Choir (aged group of singers / equipment). S

The SWCF is also involved in a range of community activities and partnerships to;

- maintain transparency of activity within our own community M
- increase awareness and raise the profile of community philanthropy I
- encourage community participation in self help activity E
- support worthy causes and needs. S

The Foundation also links and develops partnerships including;

- providing opportunities for business and communities to work together P
- providing regular newsletters to supporters, partners, business and government organisations P
- regional "Rethink the Drink" campaign R
- Foundation Day/ Week throughout the region in partnership with regional radio and print media F
- fundraising events such as recognised speakers, concerts, dinners, workplace giving programs, named fund initiatives, bequesting partnership with other regional charities, pledges and sustainable housing developments. F

Community Foundations are a significant part of Australia's philanthropic landscape. Community philanthropy is the fastest growing form of philanthropy globally, and after its start in the early 1900s in the US, there are now over 1,200 Community Foundations in over 42 countries. In Australia there are 30 Community Foundations, from large to small, some focused on a discrete, geographic region, others operating nationally. All of Australia's population has access in one way or another to a Community Foundation.

Funds managed by Community Foundations are built slowly over a long period of time. The ability to undertake useful and growing community support depends on the ability to hold and build this corpus. A requirement to distribute a proportion of the corpus would undermine this ability to build funds.

Community Foundations are also an effective supplement to Private Ancillary Funds (PAFs), as they are based on the principle of small scale donations, pooled and shared resources, sharing of administrative structures and systems and harnessing the expertise and knowledge of professional and experienced community organisations, researchers and grant makers. In many cases, grant applications arise from community organisations to fund required and in some cases new and innovative projects and programmes which may not be funded from other existing resource allocations.

The SWCF has and will continue to have a significant impact on the health and wellbeing of South West communities. The SWCF, its' partners and associated community organizations within our region support Philanthropy Australia's input for Community Foundation public funds to be maintained under the current system. Before any change is imposed, it is essential to capture relevant information and consider all the factors. Otherwise, unintended consequences could have significant detrimental effects on communities

