



## FOCUS

# Giving for giving's sake

Local philanthropy is casting off its cloak of secrecy and is now coming out loud, proud and generous. **Lucinda Schmidt** reports.

**L**ess than 24 hours after Melbourne billionaire Alex Waislitz revealed plans last month to donate \$50 million to charity, the Packer family trumped him by announcing a \$200 million philanthropic fund. That followed Westpac's landmark \$100 million scholarship fund, established in April, and a charitable bequest of more than \$3 billion – Australia's largest ever donation – by healthcare tycoon Paul Ramsay, who died in May.

These super-sized gifts – as rare as hens' teeth in Australia until the past year or two – are notable for a couple of reasons. First, they have been announced publicly, in contrast to the quiet or anonymous giving over many decades by some of Australia's wealthiest families. Second, they seem to be part of a trend rather than just coincidental timing. The momentum started in late 2012, with John Grill's \$20 million gift to the University of Sydney for a leadership centre, then built through 2013 with four gifts of \$50 million or more. This year, the

ante has been well and truly upped.

"There seemed to be a mega gift every couple of months in 2013, it was a cracker of a year," says Louise Walsh,

chief executive of Philanthropy Australia. "And 2014 is definitely going to be up there with 2013 – there are more zeroes happening. There's serious momentum and I am very confident this trend will continue, I don't think it's a bubble."

Peter Winneke, head of philanthropic services at Myer Family Company, can barely contain his excitement. After 12 years urging donors to publicise their gifts, he believes Australia's philanthropists are becoming less fearful of the tall poppy syndrome.

"We are starting to grow a culture of giving and celebrating," he says. "I think the philanthropic sector will explode over the next two decades."

Both he and Walsh nominate Graham and Louise Tuckwell's \$50 million gift last year, to establish an undergraduate scholarship program at Australian National University, as a turning point for Australian philanthropy.

"The Tuckwells gave a large sum very publicly and very proudly and also talked about the adverse consequences of leaving too big an income stream to their [four] children," Winneke says.

Graham Tuckwell, in a phone interview from his London office, takes a pragmatic view of the gift that has heralded a new era in Australian philanthropy. The reason for going public, he says, had nothing to do with setting an example for other *BRW* Rich 200 members. "I wasn't really thinking about that," he says. "Really the sole reason was to get the scholarship known."

Eight months later, however, mining magnate Andrew Forrest rang Tuckwell to let him know that his gift had inspired Forrest and his wife Nicola to donate \$50 million to fund scholarships at Western Australia's five universities, plus another \$15 million for a residential college at the University of WA.

As Tuckwell points out, the Forrests were already heavily involved in philanthropy, including being the first Australians to sign the global 'Giving



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Pledge' established by US billionaires Warren Buffett and Bill Gates, for those who promise to distribute at least half their fortune during their lifetime. So the fact that they credit the Tuckwells with inspiring their university scholarship program shows the powerful influence of peer example.

Next month, Tuckwell is flying to Melbourne from his home in Jersey to speak at Philanthropy Australia's biennial conference in Melbourne. His topic is a conversation with Andrew Forrest about understanding the givers behind the gifts.

"That's probably the last thing any of them would have done a few years ago," Walsh says. "We're at this tipping point now because people will talk about it."

The Packer family's recently announced National Philanthropic Fund is perhaps the most prominent example of the new philanthropy. Walsh says there's no question the family has been philanthropic for a long time, with James Packer's mother Ros, in particular, donating generously to the arts, hospitals and other causes. But much of it has been done quietly or in an ad hoc fashion. Now, the family's philanthropy is public and structured, focused on the arts, indigenous education and community welfare. The Packers are contributing \$100 million; the other \$100 million comes from their half-owned casino operator, Crown Resorts. James Packer's low-profile sister, Gretel, has been a driving force and spoke at the launch; Walsh can't recall Gretel Packer ever speaking publicly before.

"There is now pressure from [wealthy people's] peers and this is leading to a new normalisation of behaviour," says Professor Myles McGregor-Lowndes, director of the Australian Centre of Philanthropy and Nonprofit Studies at Queensland University of Technology. "The new norm is to make this public and to celebrate it."

If the Packer fund is a hybrid of personal and corporate philanthropy, the \$100 million Westpac scholarship fund is a ground-breaking example of corporate philanthropy committing a significant chunk of shareholder funds.

"The Westpac gift is extremely significant," Walsh says. "I'll tell you, corporate Australia is really taking notice of it." She says several senior board directors from other big Australian companies have shown interest, although she can't name names.

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**Peter Winneke**



Also significant, she says, is Ramsay's gift to his charitable foundation of the bulk of his \$3 billion-plus fortune, after his sudden death in May from a heart attack. "This is a game changer," she says. "That blows everything out of the water."

Winneke describes the Ramsay bequest as extraordinary. "It's unheard of in this country. He has transformed the philanthropic landscape in Australia."

That transformation, Winneke says, extends beyond the elite circle of billionaires and large listed corporations. The trickle-down effect of public mega-donations is also encouraging wealthy families to set up private foundations (called private ancillary funds, or PAFs), that cater for those with typically \$500,000 or more to invest.

Winneke, who has helped set up more than 90 funds since they were introduced in 2001, says demand has taken off in the past year or so with inquiries up about 20 per cent.

"People are coming to me saying, 'We're not billionaires but our family's worth \$20 million and we could easily slice off \$1 million,'" he says.

He estimates Australia now has about 1200 funds, holding about

\$3 billion and distributing at least

\$150 million each year. But he concedes there should be a lot more.

"Frankly, we should have 10,000 PAFs in a country with our wealth," he says, noting that Tax Office figures show about 24,000 Australians report taxable income of \$500,000 to \$1 million and another 8000 earn more than \$1 million a year.

Indeed, the most recent tax figures show of those earning more than \$1 million a year, 37 per cent did not claim a single dollar of tax-deductible charitable giving. Walsh is appalled. "That's the staggering stat that annoys me and keeps me doing this job," she says.

What about the rest of us, without a spare \$500,000 to pop into a fund? Rather than handing out \$50 here and there to door-knock appeals and letters in the mail, how can an average earner get more bang for their philanthropic buck?

The answer, according to Queensland University of Technology's Wendy Scaife, is giving circles. These have been popular in the US since the mid-80s but have only recently started up in Australia.

The premise is simple. Get together a group of 100 or so people, who each

contribute perhaps \$1000 to create a pool of \$100,000. Then donate the whole amount to one charity where

\$100,000 will make a big impact. Scaife says about eight circles have been formed around Australia so far, starting with Perth in 2012. She joined a Queensland giving circle called Women & Change, which launched in May and now has more than 50 members. "We can't all do the big gifts," Scaife says. "But many of us could perhaps stretch to \$1000 a year."

**I**n Melbourne, Impact 100 launched in May last year, based on a US model that has also set up branches in Perth, Fremantle and Adelaide. Another giving circle, The Melbourne Women's Fund, launched in July.

Vanessa Meachen is a Melbourne philanthropy consultant who helped establish the city's Impact 100 giving circle. She contributed \$1000 last year and another \$1000 this year (members only sign up for a year at a time) and is passionate about how pooling her contribution with another 99 people can be highly effective.



“I’m not in the multimillionaire category, but because of the work I’ve done in philanthropy I’ve seen how much good can be done,” she says. “This is high-impact, high-involvement philanthropy – I could never do that on my own.”

The group made its first \$100,000 grant last December to fund a director for the River Nile Learning Centre, which helps educate African refugees. The members listened to presentations from four shortlisted organisations, then voted on the winner. (The other three received cheques for \$2500 and a professionally

shot video about their organisation).

This year, the theme is homelessness and about 50 people have signed up so far. Meachen is also fielding questions from people in regional Victoria and interstate who are keen to set up local giving circles.

While \$100,000 seems, on paper, less useful than \$50 million or \$3 billion, the aim is exactly the same as for the super-wealthy.

Tuckwell, who built an estimated \$460 million fortune through his investment firm ETF Securities, says he’s now spending about 30 per cent of

his time on philanthropy. This included flying back to Australia in July to interview the shortlisted scholarship candidates (his wife reads the 700-plus applications from cover to cover to compile the shortlist).

They have just selected 24 students for the 2015 intake, joining 25 Tuckwell scholars who began this year.

The Tuckwells’ passion is to support bright students who are also well-rounded through interests such as sport, music or community involvement. They are critical of Australian universities’ single-minded focus on ATAR scores, after seeing a more holistic approach in the British and American universities their children have attended.

“We wanted to be impactful, to focus on one thing and do it really well,” Graham Tuckwell says, echoing the *raison d’etre* for giving circles.

As to what prompted the donation, he quotes US industrialist Andrew Carnegie, who gave away most of his fortune during his lifetime and often stated: “The man who dies rich dies disgraced.”

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## THE WALLETTS ARE OPEN

### 2014

**JULY** The Packer family and Crown Resorts launch the National Philanthropic Fund to donate \$200 million over 10 years towards the arts, indigenous education and community welfare.

Alex Waislitz, founder of Thorney Investments, announces plans to donate \$50 million over 10 years to social venture capital projects.

**MAY** Ramsay Healthcare founder Paul Ramsay bequeaths the bulk of his \$3 billion-plus fortune to his charitable foundation.

Greg and Kay Poche donate \$10 million to the University of Melbourne to establish a centre for indigenous health.

**APRIL** Westpac announces the \$100 million Westpac Bicentennial Foundation to fund up to 100 educational scholarships a year.

### 2013

**NOVEMBER** Greg and Kay Poche donate \$10 million to the University of WA to establish a centre for indigenous health (after funding similar centres at Flinders University and the University of Sydney).

**OCTOBER** Andrew and Nicola Forrest establish the \$50 million Forrest Fund for scholarships at WA’s five universities and donate another \$15 million to the University of WA.

**AUGUST** Queensland property developer Clive Berghofer donates \$50.1 million to the Queensland Institute of Medical Research.

**MAY** Allan and Maria Myers donate \$10 million to the University of Melbourne.

Harold Mitchell donates \$12.5 million to Victoria University to establish a national public policy centre.

## TAX OFFICE STATS 2011/12

Australians gave **\$2.24 billion** in tax-deductible gifts.

**4.54 million** people, or **35.62%** of the population, made a tax-deductible donation.

The national average claimed was **\$494.25**

Of those earning more than \$1 million a year, **37%** did not claim a single dollar of tax-deductible charitable giving.

SOURCE: GIVING AUSTRALIA REPORT 2014, QUEENSLAND UNIVERSITY OF TECHNOLOGY’S AUSTRALIAN CENTRE FOR PHILANTHROPY AND NON-PROFIT STUDIES.



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**Paying it forward: Vanessa Meachen is part of a giving circle, that sees ordinary people pool funds to give big; chief executive of Philanthropy Australia Louise**

**Walsh (below left) says momentum is building among Australian philanthropists. Photos: Getty Images/Wayne Taylor, Jessica Hromas**