



Emmanuel College

Papers

Philanthropy in Education

by

Mr Rupert Myer AO

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Emmanuel College
The University of Queensland
Enriching lives since 1911

Emmanuel College is Australia's ninth, and with St John's College, The University of Queensland's first residential college to gain affiliation. It was founded by the Presbyterian Church of Queensland in 1911 with the first students taking up residence in Wickham Terrace in 1912. As the Presbyterian Church moved towards partnership with other religious denominations during the 1970s, Emmanuel College also came under the auspices of the Uniting Church. Upon its inauguration, Emmanuel College was an all male residence but this changed in 1975 when women were admitted as collegians. Now, the College numbers around 340 students with half our population being female.

Further change was experienced by the College when it moved in 1956 from its original site in Wickham Terrace to its present location on the main university campus in St Lucia.

Since 1911, Emmanuel has stood for excellence in all round education and has had seven Rhodes Scholars during its history. Its graduates have gone on to make a major contribution to Australia in many areas, including as doctors, scientists, teachers, engineers, lawyers and judges, politicians, ambassadors and diplomats, and church leaders.

**INTRODUCTION BY EMMANUEL COLLEGE PRINCIPAL,
ADJUNCT PROFESSOR STEWART GILL**

Philanthropy is defined as being “the desire to promote the welfare of others, expressed especially by the generous donation of money to good causes”. As an institution founded and supported by philanthropy, Emmanuel College is seeking to promote through this series of annual lectures the importance of Philanthropy in Education. Emmanuel is part of what is often seen as the ivory tower of academia and in times of economic hardship is fair game for cuts. I would suggest as Rupert Myer does in his speech that ivory towers are a luxury society must afford. As the former President of Harvard, Derek Bok has often been quoted, “If you think education is expensive try ignorance”. As can be seen by his curriculum vitae Mr Rupert Myer AM has devoted much of his adult life to the not-for-profit sector and as a College we are very grateful to him for this thoughtful and thought-provoking address. The College also acknowledges the support of Global Philanthropic in making this event possible.



THE AUTHOR

Mr Rupert Myer AO

Mr Rupert Myer AO has extensive experience as a director of public and private companies and cultural institutions.

He currently serves as a director of the Myer Holdings Ltd, AMCIL Ltd and The Myer Family Company Ltd. He is Chairman of The Opera Australia Capital Fund, Chairman of Kaldor Public Arts Projects and was recently appointed Chair of The Australia Council. He serves as a member of the Felton Bequests' Committee, as a board member of Jawun – Indigenous Corporate Partnerships, The Myer Foundation, the Australian International Cultural Foundation, The Yulgilbar Foundation, the University of Melbourne Faculty of Business and Economics Advisory Board and as Chairman of The Aranday Foundation.

Rupert holds a Bachelor of Commerce (Honours) degree from the University of Melbourne and a Master of Arts from the University of Cambridge and is a Fellow of the Australian Institute of Company Directors. He chaired the Australian Government's Inquiry into the Contemporary Visual Arts and Crafts Sector which completed its report in 2002. Rupert became a Member of the Order of Australia in January 2005 for service to the arts, for support of museums, galleries, and the community through a range of philanthropic and service organisations.

His previous roles include Chairman - National Gallery of Australia, Trustee - National Gallery of Victoria, Board Member - Museum of Contemporary Art, Sydney, Member of the Advisory Board – Melbourne Symphony Orchestra, Member, National Council & Melbourne Committee – The Australian Opera (now Opera Australia), Council Member – Australian Association of Philanthropy (now Philanthropy Australia) and Chairman - International Social Services.

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Philanthropy in Education

In his speech at this event last year, thanking John Reid for his Philanthropy in Education address, Dr Daniel MacDiarmid, Chair of the Emmanuel College Foundation, said that if philanthropy for education is to flourish, Australians are going to need a vernacular for discussing it.

He said the more we speak about the drivers and motivations for and impacts of philanthropy the better placed we will be to articulate the benefits and promote the importance of philanthropy.¹

I congratulate Emmanuel College for providing a further opportunity this year to speak on this subject. The intersection between philanthropy and education is ever more relevant and I am greatly honoured to have been given the opportunity to contribute to this important and timely discussion.

There is enough clear evidence to support the view that Australia has a strong philanthropic tradition which is often unacknowledged; a good deal of current philanthropic practice is thoughtful, considered and influential; there is now more of it, there are more participants in it and there is more coming but, even with the current well designed Government incentives, wealthy Australians and Australian corporations commit significantly less of their wealth to philanthropy than do their counterparts in other countries, particularly the United States.

Some outside the sector think that the term 'philanthropy' implies a group of organisations operating in a uniform manner with similar objectives. It ought not require a lot of thought to realise that this could never be the case. There is obviously a difference between one's own personal giving however organised and institutionalised, and the role that many of us play in the sector through administering someone else's philanthropic act. Within the latter category, there are significant differences between the ways of philanthropy as practiced by families, corporations, community and special purpose foundations as well as the trust company administered estates and government initiated philanthropic entities. However, it can be said that we all co-exist, usually quite happily, and unusually for such a dynamic sector, with a high level of collegiality and mutual support.

As a nation, we do not do justice to our past philanthropic achievements. I will speak about some of those this evening, as well as some contemporary

¹ Philanthropy in Education Emmanuel College Papers No.14 August 2011.

activities that we should be celebrating and supporting. These remarks are fashioned as a series of personal observations and thoughts about how the philanthropic sector contribution to education, particularly higher education, was in the past, is now and might be in the future.

As for hard data, I am indebted to the research generated by Philanthropy Australia and, except where noted, I have chosen not to repeat it in this address. Suffice to say that the recent Review of Funding for Schooling or Gonski Report advised that the education sector as a whole, which includes school education, adult and tertiary education, and research, is the fifth highest recipient of donations, after religious organisations, international aid, community or welfare organisations and medical research. The Education sector also attracts among the highest numbers of volunteers in Australia.²

For a range of historical and cultural reasons, Australians have been less willing to speak openly and publicly about philanthropy than, say, our American cousins. At various times, I have been discouraged from speaking about philanthropy. Certainly my mother would prefer I didn't. My eldest daughter once said, 'it's so embarrassing'. My father would prefer that the term 'philanthropy' was dropped in favour of 'grant making'. I always sense that my wife would prefer me to be applying my own love of humankind to reading aloud to our children or by being available to help with homework. There is a reluctance that some, but not all of us, have for the discussion. It's probably part of our national character, and frankly, not a bad trait. We dislike self-aggrandisement generally and fear that others may judge us to be getting ahead of ourselves. And what could be more overt than talking about giving away one's wealth?

However, this attitude of reticence decreases public discussion about Australian philanthropy. The lack of profile discourages greater giving. The media don't know how to report it and wildly flip-flop between indifference, scepticism and sycophancy. Regretfully, these factors unwittingly and unhelpfully nurture the myth that philanthropy is not typically the Australian way of doing things.

Australia has a proud philanthropic tradition that has helped create some of our great educational and cultural institutions. It has also transformed our health and welfare sectors. In the nineteenth century, the expression of philanthropy from across the whole community was considerable. There was a broad community expectation that support would be given according to one's

² <http://www.deewr.gov.au/Schooling/ReviewofFunding/Documents/Review-of-Funding-for-Schooling-Final-Report-Dec-2011.pdf> p199

circumstances. Philanthropy was not correlated to net worth. At various times, there were outbreaks of what we might describe today as competitive philanthropy as the wealthy jostled to establish their philanthropic reputations. This history seems to surprise people today when they hear of it.

There are numerous examples across metropolitan and regional communities around the nation of gifts and benefactions that occurred to support the building of the nation's infrastructure. There is hardly a gallery, a theatre, a hospital, a church, a community centre anywhere in the nation that doesn't tell a story of benefaction. Some of the stories are modest in scale and some are substantial. Education received its fair share as the honour boards attest across the nation's universities, colleges and schools.

Education is one of the four principal divisions of charitable purpose as defined by English law in the nineteenth century, along with the relief of poverty, advancement of religion, and other purposes beneficial to the community.³

Education has been a favoured philanthropic endeavour for centuries. The long term role of philanthropy in education in the UK has been elegantly expressed in a recent analysis of contemporary philanthropy. Of the multi-billion pound fund raising campaigns launched by Oxford and Cambridge, it has been said that:

*'an army of professional fund raisers has been hired to.....remind the Oxbridge alumni that they benefited from the best part of a thousand years of philanthropy and that the university's recent dependence on tax payer support was an historic aberration.'*⁴

When Governor Arthur Phillip established the first European settlement in Australia in 1788, he insisted that every child in the then penal colony receive an education. This was an attempt to prevent the next generation following in their parents' footsteps, but it was also remarkable because it wasn't available to their contemporaries back in England. Arguably it also laid the foundation for Australians' expectations that governments would and should provide for their children's education.⁵

Notwithstanding government's commitment, appropriate and adequate funding for education has always been, and remains, a challenge. The recent discussion about the Gonski recommendations confirms that the challenge will

³ Bruce Bonyhady, Philanthropy Australia, Australian Philanthropy Issue 70 October 2008 p2

⁴ Bishop, M. Green, M. *Philanthro-capitalism* A C Black London 2010 p144

⁵ Laura Tingle, Great expectations Quarterly Essay Issue 46, 2012 Black Inc. P.7

not diminish anytime soon. This challenge was also well acknowledged early in our history by that generation's philanthropists. In the nineteenth century, as the wealth of our young country was being created, a number of celebrated acts of philanthropy created an educational infrastructure that flourishes today.

Amongst the too seldom discussed great examples of our Australian culture of philanthropy is that of Francis Ormond, a Scottish born grazier, who supported the appeal for a proposed Presbyterian college in the University of Melbourne for theological training and residence. He had paid for the completed original building by 1881 and later made additions till over £112,000 (over £40,000 during his life) of his money was invested in Ormond College.

Another of his special interests was the education of working men, and in 1881 he began his long struggle to found a technical institute in Melbourne, the Working Men's College, which was finally founded in 1887. He went further to support the foundation of the Gordon Institute of Technology in Geelong and in the 1880s tried to found a college of music in Melbourne. When other assistance was not forthcoming he established the Ormond chair of music at the university.

The Australian Dictionary of Biography notes that:

*'Ormond sometimes aroused the jealousy of other successful graziers. Liberal both in politics and religion, he tried to overcome those class divisions that appeared to threaten the colony he loved by educating the masses to enlightenment and consequent contentment, and by providing an example of social service to his wealthy peers.'*⁶

Without doubt Ormond was a significant contributor to the development of an Australian vernacular of philanthropy in education.

Despite the male dominated society of the time, philanthropy was not their exclusive domain. Janet Clarke supported the establishment of a College of Domestic Economy and successfully worked to extend Church of England schools for girls. Her most notable contribution was in 1889 for the establishment of a hostel for Women University Students at Trinity College which later became Janet Clarke Hall.⁷

This tradition continued as well into the last century. It is with a great sense of

⁶ <http://adb.anu.edu.au/biography/ormond-francis-4340>

⁷ <http://adb.anu.edu.au/biography/clarke-janet-marion-3224>

pride that I note, as but one of the elements of his continuing legacy of benefaction, the creation by my late grandfather in 1927 of the first named Chair, the Sidney Myer Chair, in what is now the Faculty of Business and Economics at the University of Melbourne. As an example of personal giving, his endowment of capital and the subsequent income that it has generated have been of enduring benefit to the faculty, the university, its students and staff.

Dafydd Lewis gave the opportunity of an academic education to hundreds of Victorians from families of limited means by leaving the bulk of his estate “to establish scholarships at the University of Melbourne”. His bequest made history at the time, being the largest ever made by an individual philanthropist to benefit students there.

Whilst I have confined my remarks to Victoria and the University of Melbourne, of course, the expansion of wealth and philanthropic support was not limited to the economic good fortune created by the gold rush and pastoral wealth at that time in the southern states.

I am sure that much regard is paid to the community of benefactors that emerged following this university’s constitution in 1910. Names still familiar today because of their great legacies such as Sir William MacGregor and Walter and Eliza Hall were amongst those involved in the institution’s ‘donor-driven’ expansion. Significantly in the 1920s the Mayne siblings, Dr James O’Neill and Mary Emelia, sealed the University’s future by enabling the purchase of this St Lucia campus site.

History records that, ‘as the University matured, the giving tradition was augmented by countless people with foresight, compassion and an appreciation of the power of learning and discovery.’⁸

Collective memory in Australia is scant about some of the very significant acts of benefaction that have occurred in our history. This is due in part to state boundaries, which mean often that interstate acts of benefaction are seldom celebrated elsewhere as acts of Australian philanthropy.

How many outside of Sydney would have heard of the Power Bequest to the University of Sydney and know of the role that it played in giving birth to the Museum of Contemporary Art there? How many outside of Adelaide know of the Elder Bequest or the other great endowments that have given rise to the

⁸ <http://www.uq.edu.au/pharmacy/foundations-of-philanthropy>

great collections and teaching resources of that gallery? Or of the Trout's support for the Queensland Art Gallery? How many would know, even in Melbourne, of the Herald Chair of Fine Arts at Melbourne University established by Sir Keith Murdoch?

The Felton Bequest remains a landmark philanthropic donation in Australian history over a century after its establishment. The Bequest stipulates that half of the funds are used for charitable purposes in Victoria, with a primary focus on the physical and emotional health of women and children, and the other half be used to purchase works of art, calculated 'to raise and improve public taste' for the National Gallery of Victoria.⁹ Felton was the Getty of his day and a true philanthropic outlier. The value of his bequest enabled the NGV to outbid the National Gallery in London and the Metropolitan Museum in New York for the best part of five decades last century.

So, with this magnificent history, surely we must more aggressively contest that dreary sentiment that there is no culture of giving in Australia, or that there are no great examples of giving or that there are insufficient incentives to give or that substantial giving will only relieve government of its proper responsibility, or that giving requires more benefits for the donor?

It is very curious that so many persist with a denial of our philanthropic history. By doing so, we lessen our capacity to argue to the current generation that they should give as generously as in the past. The wide-spread neglect of our own past supports the tired litany of excuses for why people of means today give comparatively less. So often, the supposed lack of a culture of giving gets served up as a reason! There was a period in our history when competitive philanthropy was rampant, when it mattered to be giving support and to be seen to do so. This was true overseas we know, and it was also true here.

Why might less be given now? Well, it is certainly not because we don't have the wealth here. Often it gets argued that we don't have the right Government incentives in place. This always seems to me to be a really odd argument as so many of the incentives in the US are connected in some way to inheritance tax. Surely those who make this assertion are not arguing for inheritance tax as a way of increasing incentives for philanthropy? Perhaps the lack of an agreed or common vernacular does contribute.

In that context, I do not like the expression 'giving back' as a description of philanthropic motivation. The phrase gives expression to an act of obligation not an act of benefaction. It is not the language of generosity; it is the language

⁹ http://philanthropywiki.org.au/index.php/The_Felton_Bequest

of duty. It reinforces a view held by some that, in order to 'give back'; something must have 'been taken' in the first place.

At best, 'giving back' reflects careless use of language. At worst, it establishes or reinforces in the minds of many a dubious motivation. My advice is to drop the phrase. There are plenty of people around with a dim view of private wealth in the first place, who will enthusiastically assert that philanthropy is 'just giving back'.

Having said that, obligation is not a bad motivator and it certainly should not be overlooked, particularly for universities. The community should be made to feel some sense of responsibility for the places where we have been educated and also to the hospitals and other institutions that have served us in some way throughout our lives.

My point is that obligation can only take someone so far along the giving journey and there comes a point quite quickly where you may feel that you have given back. It is then that there needs to be a different type of motivation, and the philanthropic act has to transform from giving back to giving.

This view is also supported by Malcolm Turnbull who in last month's Hamer Oration said:

'Some like to term this altruistic impulse "giving back", but I don't think that is the right language. After all, it is not like giving a book back to a friend from whom you have borrowed it. Philanthropy is not returning something that belonged to someone else, it is voluntarily surrendering that which is yours purely for the benefit of others.'

We should do a great deal more to celebrate and remind people of our proud philanthropic past, particularly in education, and encourage others to emulate those who have shown vision and generosity. Every time we read about or hear it said that Australia has no philanthropic tradition, the institutions that have benefitted from it over two centuries should be leaping about arguing that this is nonsense and that this generation should get on with the job at hand.

There is no doubting the philanthropic need in education. The 2012 *Group of Eight* report notes that, considering the growth in the scale of the sector, universities are not much better off than they were in 1996. Significantly, the report noted the limits of any government's fiscal capacity to maintain

adequate levels of funding to sustain quality in the higher education system.¹⁰

This is a highly disturbing at a time when this country needs more than ever to have a well educated population to face the future challenges of the Asian century and other global developments. It also says to me that there will be a significant continuing need for private support for tertiary education. In 2008 Philanthropy Australia published a collection of articles that addressed the relationship between education and philanthropy. The comment was made that:

*'Education is one of the most beneficial investments that individuals can make in themselves and that society can make in its people. Pre-schools, primary and secondary schools, alternative schools and community-based education centres, TAFE and adult education providers – all can be agents for individual transformation, increasing social cohesion and community capacity-building. (However)...even in our prosperous country, education systems and standards are failing to live up to their potential.'*¹¹

In 2012 David Gonski reported that:

*'There is growing recognition that, at the local community level, many schools cannot overcome their particular schooling challenges alone and that collective action through school and community partnerships can help to strengthen efforts by governments to address educational disadvantage.'*¹²

At the macro level I think we first need to ask the question about the relative responsibilities and capacities of governments and organisations involved in philanthropy. One view is that prime responsibility lies with government and its effectiveness or otherwise determines the limits of philanthropic intervention. Bill Clinton has been quoted as saying:

*'How big a breach there is for philanthropy to fill depends on how effective public policy is at addressing the big problems facing us.'*¹³

¹⁰ http://www.go8.edu.au/__documents/go8-policy-analysis/2012/go8backgrounder27_universityfunding96-10.pdf

¹¹ Australian Philanthropy - Issue 70: Supporting Education: The Vital Ingredient April 2008.ort
http://philanthropywiki.org.au/index.php/Australian_Philanthropy_-Issue_70:_Supporting_Education:_The_Vital_Ingredient

¹² <http://www.deewr.gov.au/Schooling/ReviewofFunding/Documents/Review-of-Funding-for-Schooling-Final-Report-Dec-2011.pdf3>

¹³ Bishop, M Green, M op cit p281

Another view he expresses is that, regardless of philanthropy's good intentions, it will never have sufficient resources to replace government:

*'To achieve leverage philanthropists should not be competing with or substituting for government money; they should be trying to improve the way it is spent... The state is better placed for reasons of legal power and accountability to do some things that provide universal coverage with consistent standards...'*¹⁴

On education, specifically, Indiana University in the US had published a Best Practice in Education Grant Making (2009) with a focus on higher education.

*'Grant making in education works to influence policy; to positively impact educational outcomes; to level the playing field across racial, socio-economic, and geographic divides; and to harness private and public, financial and social support. Excellent grant making in education begins by gathering knowledge regarding the gaps in access and success; first, by targeting core areas of need, then by formulating a proactive plan of action matched by identification of observable results, and finally by the careful implementation of resources. Long-term impact requires, at times, innovation and a bit of risk.'*¹⁵

But there is a note of caution that needs to be attached to any headlong rush into broadening philanthropic funding for universities. Philanthropy, benefaction and private support generally should not be unconditionally welcomed in academia's corridors.

By this, I do not support the revival of a type of attitude from a generation ago that equated philanthropy with commercial interests and loss of academic freedom. I am reminded of a remark made to me in the 1980s by a Cambridge contemporary who was agin the world at the time that, if the 'system' was working, 'we' wouldn't need philanthropy". Quite what the 'system' is, and who the 'we' are were never made very clear!

My hunch is that there are still a few around who secretly harbour that view, especially in education. They probably feel that philanthropy is a tedious and time-consuming necessity. They may also feel that they are being bludgeoned into it, and would prefer not to have to deal with it as an opportunity to be creative and imaginative.'

¹⁴ Bishop, M Green, M op cit p281

¹⁵ Grantmakers for Education, 2008. P28

<http://www.philanthropy.iupui.edu/Research/docs/2009BestPracticesEducationGrantMaking.pdf>

A recent press report from ANU in Canberra supports the hunch. In June this year a professor was quoted as saying that some 'research teams within the school were flourishing in terms of attracting external financial support ... (However) He admitted there had been tensions within the school regarding funding streams and some of his budgeting decisions.' He said:

"The simple fact is we have to live on less institutional funding and rely more on private income ... some people have been a bit indignant about this."¹⁶

In a USA example, former President of Harvard Larry Summers wrote in 2007 that:

'Universities are curious institutions. On the one hand they have responsibility for what is the most cutting edge in the education of youth and the creation of new ideas – on the other they're probably more ossified in their structures and their rules than almost any other institution in our society.'¹⁷

However, my hunch is not the focus of these remarks. My point about conditionality is that private sector funding for education does need to be highly transparent.

A 2001 paper entitled, 'Academic Freedom and Commercialisation of Australian Universities: Perceptions and experiences of social scientists' includes the following quote:

'Changes in sources of funds for ... universities could ... have implications for academic freedom. If we accept that he who pays the piper can at least suggest a tune, then a number of possibilities become apparent. With government funding an ever-diminishing share of the total expenditure of universities, the pressure is on to find alternative sources. It is not difficult to imagine situations in which a totally commercially focused council or board might exert at least subtle pressures to ensure that the university staff or students did not in some way offend major donors.'

Wherever there is private sector funding for research, concerns are raised about the threats of academic independence and objectivity. In reporting

¹⁶ <http://www.canberratimes.com.au/act-news/anu-medical-research-head-told-to-find-own-funding-20120603-1zqfc.html#ixzz1yDbghp00> 4 June 2012.

¹⁷ Bishop, M Green, M op cit p145

research outcomes, there is a clear need to have funding sources clearly explained.

In a paper delivered at this College in April 2008 titled *Whither Universities?* the distinguished scientist and academic Sir Brian Heap CBE FRS spoke of the need to 'balance the pursuit of creative science and the ever-growing demands of economic benefit'. He warned of the need to protect 'curiosity driven' research, what he called the 'life-blood of new initiatives and business opportunities', in an era when policies pursued in many countries 'drive academia and industry together.'¹⁸

In a couple of these remarks, I spoke about private sector support which is a broader concept than philanthropic support alone. It includes any number of arrangements that might be established between commercial enterprises and universities. Some of the comments are less pertinent to the philanthropic sector.

Perhaps the right approach at the tertiary level for philanthropy is one suggested by Bishop and Green in their book *Philantho-capitalism*:

*'Giving support to a particular field of academic inquiry, by establishing a professorship or a research centre is riskier but may have a far higher potential return on the philanthropic investment. This is particularly true of funding blue sky research in controversial or new areas which other more risk averse sources of research funding tend to ignore, especially government.'*¹⁹

This comment leads quite neatly to a couple of personal comments about the nature of philanthropic support that universities might seek in the future. Recently, across the tertiary sector, there has been much support sought from the philanthropic sector to increase the number of scholarships to be made available to the brightest students, to students from disadvantaged backgrounds or to students from regional centres where local educational opportunities are not available. Scholarships have also been created to encourage students from overseas, from different ethnic backgrounds and with very different experiences of life, chances and politics. Undoubtedly, these programs are having and will continue to have profound and beneficial consequences for the diversity of a university experience as well as the vigour

¹⁸ Sir Brian Heap *Whither Universities?* Emmanuel College Paper April 2008.

¹⁹ Bishop, M Green, M op cit p144

and dynamism of the learning environment. The philanthropic sector has been responsive and will continue to be.

One of the potential downsides of a singular focus on scholarships is that the funds raised by the universities for this purpose will not grow university revenues. The annual income from the universities' internal scholarship endowments will be a substitute for income generated from external, non-university sources. In the very long run, the increase in the quality of the students will ensure strong revenues and, indeed, future philanthropy may come directly from those who have benefitted from scholarships. However, in the shorter term, university funds used to support scholarships will reduce the availability of funds for attracting higher paid academic staff and creating the best possible teaching environment, ensuring the best quality student experience and extending university facilities including the on-line and virtual experience.

Really talented students are now being offered scholarships to attend universities all over the world. They will make a choice based on what the university is and what it does, rather than on the financial value of the scholarship alone. Scholarships are being commodified. University experiences are not. It will matter increasingly whether a university has Nobel Prize winners on its staff or on tap, whether it is well connected to those industries that can make the best job offers, whether the teaching environment is contemporary and relevant to a new generation and whether the experience being offered is competitive in every respect.

I believe that universities should seek philanthropic sector support for these purposes. Universities should consider carefully approaching the sector for grants that lead to income substitution.

The changing profile of the philanthropic sector will impact the education sector. Happily, there are still a number of very significant capital grants being made to universities, which, in recent years have included substantial support from Atlantic Philanthropies, Graeme Wood from Wotif, The Ian Potter Foundation and many others. However, the manner in which grants are being made from the professional philanthropic sector is changing rapidly. Since 2001, nearly 1000 Private Ancillary Funds have been created in Australia with the combined value of their endowments now rising into the billions of dollars and, through their accumulation plans, to many billions more over the next few years.

The significance of this for universities is that individuals are now creating their

own philanthropic endowments and are choosing to contribute less to the creation of anyone else's. PAFs are required to distribute their earnings, rarely their capital. Many universities are choosing to maintain their capital campaigns as their principle philanthropic activity. This may no longer be the manner in which many in this part of the philanthropic community choose to give their support. The great dollops of capital that might have been available in the past are no longer the only focus of the new generation of philanthropist. To remain relevant to their grant-making activities, universities will need to provide one-off or multi-year projects around particular sets of purposes alongside the old capital campaign format.

By way of example, The Petre Foundation has funded two initiatives at the University of New South Wales. The initial project established, with a grant of \$500,000, was a post-graduate scholarship to support students working towards a PhD. The second initiative was to provide seed funding of \$1m to the Centre for Social Impact at UNSW. This Centre, based at UNSW has brought together a number of leading universities in Australia to create a world-class academic research and teaching organisation focused on enhancing the understanding and performance of the not-for-profit sector.²⁰

In addition to a small grants program, the large grants program of the Myer Foundation provides support for projects that will create systemic change in the areas of indigenous education and early childhood development. The program currently funds seven multi-year projects receiving a total this year of \$1,000,000. The Queensland University of Technology received \$400,000 as support for a training program for principals, teachers and community leaders of schools across Australia where there are high numbers of indigenous students. Other initiatives have included the establishment of a Chair in Rural Education and Communities at Flinders University. Recently too, the Felton Bequest established the first named Chair at Deakin University.

Across in the secondary school sector, the Colman Foundation has committed to provide \$6.8 million over 10 years on top of the state and federal government funds used to build and operate a Victorian government school, Doveton College. The partnership, announced in 2009 by the Brumby government, is believed to be the first of its kind in Australia.²¹

These examples illustrate the breadth and depth of the opportunities that exist

²⁰ <http://www.petrefoundation.org.au/>

²¹ <http://www.theage.com.au/national/education/white-knight-takes-on-a-tax-dragon-20120203-1qxff.html#ixzz1woKrcXpr> published 6/2/12

for highly productive new styles of philanthropic engagement which are project based not endowment focussed.

The final observation that I make about new philanthropic interventions in education is to encourage a very close examination of how Atlantic Philanthropies operates. In particular, it is important to understand how they have successfully brought leverage to a number of their projects. Their view is that if a major philanthropic initiative is worth supporting by them, it must carry with it support from the Commonwealth, State and, sometimes, local government, a contribution from the organisation that is promoting the initiative and a local and national philanthropic sector contribution. Without the multi-level coalition of support, they are reluctant to engage at a serious level and they are certainly disinclined to leverage the participation of any other international philanthropic organisations. This approach is interesting and highly relevant to education. It requires a multi-party 'deal' to be done with a philanthropic entity as the catalyst to bring all of the other parties together. Leverage has been a hallmark of recent major medical and research projects supported by Atlantic Philanthropies and it has increasingly become the template for any substantial philanthropic sector support.

Finally, philanthropy is more than money. Its expression through volunteering, and the sector's voice and influence can expand its reach. The value of non-grant making activities cannot be overestimated. We have all seen the benefits that accrue from bringing parties together to discuss an issue. Key stakeholders brought together can often spark ideas and creative solutions before any cheque is written.

The participants at such gatherings are often encouraged, if not cajoled, into action. New partnerships and alliances are created committed to problem solving. Often it is the respect and good will associated with the philanthropic Foundations sponsoring and facilitating such encounters that is the essential element in their success. This is another of philanthropy's values that is not well understood and one that often goes unnoticed. The philanthropic sector's unique role is its complete independence and ability to work comfortably alongside all participants. Another of philanthropy's great attributes is to be able to step in and keep helping when the media focus has moved on to the next issue. Philanthropy is not attention seeking, it is 'need' seeking.

In conclusion, philanthropy contributes wisdom as well as intellect, experience as well as a desire to change, and its core values are a tolerance for ambiguity and a generosity of spirit. These values expressed through grant-making drive successful philanthropic engagement with the education sector. Be aware of

our nation's own traditions of philanthropy and celebrate them with vigour and purpose. Be aware too of the limitations of philanthropy and the need for transparency in all private sector dealings. Broaden the role of philanthropy to whole of tertiary sector need and away from those areas that would have an income substitution effect. Re-invent the capital campaign format by establishing projects and programs that can be supported by one-off or multi-year commitments. Seek opportunities for leveraging philanthropic support in discussions with other local, national and international Foundations as well as local, State and Commonwealth governments. And exploit the non-grant making functions of the philanthropic sector.

The successful outcome will be a smart nation full of universities offering the best facilities and experiences, with the finest academic staff and research institutes attracting the brightest students from everywhere all of whom would be clambering to be there not just for the wide array of financial incentives but because our universities are their global first choice.



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