



11 May 2023

To whom it may concern,

South West Community Foundation Submission to the Productivity Commission on Philanthropy.

South West Community Foundation (SWCF) was created by the people of south west Victoria, for the people of south west Victoria. Established in 2007, SWCF works with local people, businesses and volunteer-based community groups to create positive social change in the south west of Victoria. Working across the six local government areas in the region, SWCF helps to build and strengthen local community groups and organisations, incubate and advance ideas and opportunities, and respond to needs at a regional and local community level, contributing to a strong and vibrant region.

SWCF is making this submission to share the perspective of a regionally based, community foundation based on the philanthropic ethos of 'local giving for local needs', and to advance our core mission of building a strong, caring and connected region that is reflected in a culture of giving.

Our submission addressed items 1-3 in the Terms of Reference, specifically:

1. Tendencies and motivations for giving; local money for local needs (keeping community assets 'local' returning benefit to local communities; motivator of community fundraising for a perpetual fund to return benefit to local area,)
2. Opportunities to increase philanthropic giving;
3. The current barriers to philanthropic giving, in particular the limitations on DGR1's donating to non-DGR charities.

Tendencies and motivations for giving; local money for local needs;

- SWCF and the south west community benefitted significantly from the motivator of keeping philanthropically donated funds local to reinvest in the region, and in some cases to a specific town or region. The willingness to donate in order to support one's 'own' community is at the centre of the community foundation model, and gives community foundations a unique placement in the philanthropic landscape.



Example #1: Koroit Sub Fund

The Koroit Sub Fund was established when the Koroit Aged Care Services nursing home closed. The Board determined that the profit from the sale of held assets, (including bed licences,) should be returned for the benefit of the Koroit community, with a perpetual fund established under SWCF's framework. The fund has returned over \$300,000 of benefit to the local community and continues to grow and service local needs.

Example #2: Colac Sub Fund

The Colac Sub Fund was established through a State Government incentive to establish community funds, where if a community raised \$100,000 they were matched with a \$100,000 grant from the Victorian Government. The Colac community met the challenge, and this matched fundraising allowed the Sub Fund to apply for a further \$200,000. The fund are now held in perpetuity, with earned income directed back to the Colac region community to support charitable projects and initiatives.

Opportunities to increase philanthropic giving;

- **Improve support and resourcing for community foundations:**

Community foundations across the board struggle with operational resources. Largely reliant on volunteer Boards and committees with limited employed staff, there is a challenge in presenting the community foundation philanthropic option to the community with the same level of authority as larger, sometimes global foundations.

- **Promote and advocate the practice of philanthropy and giving**

With limited resources a genuine challenge in the sector, any level of government endorsement or promotion of the value proposition associated with community foundations serves as a vehicle that all CF's across the country can leverage. A genuine opportunity exists for the government to build the culture of giving as an accessible and relatable practice for all Australians.

The current barriers to philanthropic giving, in particular the limitations on DGR1's donating to non-DGR charities.

- As a DGR2 Public Ancillary Fund, the SWCF is currently limited in its capacity to accept donations from PAF's registered DGR1. Community Foundations are uniquely positioned to act as a vector to direct investment and donations towards non-DGR1 registered charities undertaking significant and meaningful work in the community, which could have greater impact if we had the capacity to partner more effectively with PAF's seeking to support this work.



A further statement on assessing and comparing charities on evidence of effectiveness:

As stated previously, community foundations, generally speaking, do not have the same resources as many other single-issue charities operating in Australia, (particularly in terms of marketing, fundraising and impact analysis,) and without additional investment in these operational arenas, comparative analysis would not be equitable.

On behalf of the Directors of South West Community Foundation, I thank the Productivity Commission for the opportunity to contribute our submission, and support all efforts to double philanthropic giving by 2030.

Sincerely,

Annabel Cussen
Executive Officer
South West Community Foundation.