

**The Management of Australian Corporate  
Philanthropy  
Perspectives of Donors and Managers  
A Study of Motivations and Techniques**

By

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“It requires the exercise of not less ability than that which acquires it, to use wealth so as to be really beneficial to the community.”

Andrew Carnegie  
(The Gospel of Wealth, 1889)

“We make a living by what we get, but we make a life by what we give.”

Sir Winston Churchill  
(ANZ Trustees: Charitable Foundations, 2005)

“I’ve come up the hard way and I suppose it is because of that I feel I should plough something back.”

Sir James Kirby on the occasion of the official launch of the James N. Kirby Foundation on October 17 1967.

“It’s amazing, the more money we give away, the more money the company makes. Generosity works.”

Richard Pratt  
(VISY AND SUSTAINABLE DEVELOPMENT: “Opening the dialogue”, 2003)

\*\*\*Note re the researcher’s name:

Although the author of this thesis is known as Dawn Smith, her first initial (P.) has been used to distinguish her from study participant Dick Smith. Her works are referenced as Smith, P. D., while Dick Smith’s works are referenced as Smith, D.

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## ABSTRACT

The aim of this study is to extend knowledge about corporate philanthropy in Australia, including the conduct of fundraising and funds management, looking especially at motivations for giving and techniques employed. It follows and builds on the researcher's MA work on *Corporate Philanthropy in Australia: Principles and Practice* (see Appendix I) and has generated new theories that may be tested in the marketplace by both individuals and groups involved in fundraising and fund management throughout Australia, and perhaps beyond.

The study is based on a method melded together by the researcher from variations on participatory action research, action inquiry and cooperative inquiry. An extensive literature review explored material provided by participants along with material already in the public domain. The data set obtained from this exercise enabled the development of the range of questionnaires put before the participants.

Personal interviews were conducted with individuals, representatives of companies, trusts and foundations, and recipient organisations, along with professionals from Philanthropy Australia. The aim was to hold a discussion with the most senior person possible in every case and that aim was achieved with willingness to participate a strong factor throughout. A focus group conducted with professional fundraisers provided a point of view from 'the other side'.

The rigour of the work stems from the representative involvement of all interested parties. The researcher's long involvement in the fundraising industry was a strong enabling factor with iteration of all interviews confirming the findings and mitigating against undue influence from that background.

It was clear early in the study that there was difficulty in separating individual motivations from corporate motivations, as the individual beliefs and experiences spilled over into corporate involvements. For some the motivation was that philanthropy was the price of doing business, although the gifts might be directed to projects of lifetime interest to the participants. Some companies were clear about the direction of their corporate philanthropy into the communities in the areas where they operate, while others were still developing policy. Some representatives preferred to name their giving as 'social activism' rather than 'philanthropy'. A template has been developed to assist informed decision making about gifts.

Participants spoke of a variety of techniques of giving employed under the umbrellas of the Triple Bottom Line, the Third Way, Corporate Social Responsibility (CSR), and corporate sustainability. Those techniques include direct gifts or grants, sponsorships, strategic or venture philanthropy, Cause-Related Marketing (CRM), workplace giving or payroll deduction, bequests, and fundraising events. It was noted that workplace giving is growing.

Changes to Australian tax laws have made it sensible for individuals and some companies to develop Prescribed Private Funds, while others have opted for corporate trusts or foundations, or board committees. CEOs seem not to be as powerful in gift decision making as was found in the earlier MA study.

Several clear trends were identified, one related to companies making fewer larger grants, rather than many small ones. A further trend is for companies, trusts and foundations, and individuals to seek out recipient organisations for themselves, in accordance with their areas of interest and grants priorities. This changes the scenario for fundraisers who must find new ways of gaining the attention of grant and gift makers. A third trend is to require outside evaluation of projects and assessment of project progress. None of the participants in the study indicated that they carry out policy research before making gifts. Likewise not all givers indicated regular reporting requirements.

Community foundations are growing with new ones being developed during the course of the study. At the same time some organisations are allowing voting rights to donors, and shareholders are becoming more vocal about corporate giving.

Gaps in welfare funding vary considerably with many charities relying on companies, trusts and foundations and individuals to 'plug the gaps'.

The concept of 'social capital' is explored and a new definition put forward. It is revealed that the term is capable of holding many different meanings. It was clear that durable networks are almost vital to the development of social capital.

The gap in their understanding of corporate philanthropy between givers and receivers revealed by the MA study was found still to exist, although the whole process was found to be more open with the commercial confidentiality cited in the earlier study not appearing as a strong factor in this study, particularly as much material was available from the World Wide Web.

In the end, the area of corporate philanthropy may still be considered to be almost ‘virgin territory’ thus providing a fertile field for aspiring researchers. Suggestions are provided for a number of areas of future research.

## DECLARATION

I certify that this thesis does not incorporate without acknowledgement any material previously submitted for a degree or diploma in any university, and that to the best of my knowledge and belief it does not contain any material previously published or written by another person except where due reference is made in the text.

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PATRICIA DAWN SMITH

I believe this thesis is properly presented, conforms to the specifications for the thesis and is of sufficient standard to be, *prima facie* worthy of examination.

JANET McINTYRE

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