



COMMUNITY  
FOUNDATIONS  
AUSTRALIA

# The opportunity to partner with Australia's community foundation network

How community foundations can help the Australian Government build a stronger, more diverse and independent community sector.

Submission to the Department of Social Services in response to its Issues Paper: *A stronger, more diverse and independent community sector*

Prepared by Community Foundations Australia

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Community Foundations Australia acknowledges and pays respects to the past, present and emerging traditional Custodians and Elders of the country on which we work. We also accept the invitation in the Uluru Statement from the Heart to walk together with Aboriginal and Torres Strait Islander peoples in a movement of the Australian people for a better future.

## About Community Foundations Australia

Community Foundations Australia (CFA) is the peak body for Australia's national network of community foundations. It unites and represents these foundations to amplify their collective voice and impact. Established in 2007, CFA is a member-based, not-for-profit organisation and registered charity.

Our members are community-owned, place-based charities that use first-hand knowledge of local issues to make their communities healthier and fairer, better connected, more inclusive and sustainable. CFA supports community foundation practitioners and those aspiring to join the movement through a range of capacity building programs, projects and regular events.

## About community foundations

Community foundations are charitable funds established and managed by local people to meet the needs of their communities.

They are community owned, community managed, and often place-based. They bring together donors from all walks of life to support local needs, involving local people in the development of their community.

Community foundations are committed to strengthening communities and are catalysts for place-based change, from rural areas to regional towns and major cities.

They raise money – some of which is invested to build a permanent endowment – and they make grants to support their community's changing needs over the long term. They also cultivate a philanthropic mindset amongst their donor base – encouraging them to give more and give better. Local empowerment, community ownership and leadership, and a focus on place-based social change are all central to the concept and ethos of community foundations.

Community Foundations build assets, capacity, and trust within a community to strengthen local development for all. Across Australia, community foundations share a commitment to create a fairer, more inclusive Australia.

## About this submission

The community foundation sector represents an as yet untapped network for governments to partner effectively and to strategically channel resources to a local level, while developing a growing capacity in community philanthropy and social investment.

This submission outlines the unique opportunity for governments to partner with Australia's community foundation network to strengthen local community sectors across the country, which create conditions for longer lasting outcomes in communities.

This submission responds to area of focus 5. *Partnering with trusted community organisations with strong local links*, and provides feedback to select questions as provided in the Issues Paper, drawing on case studies to illustrate the breadth, flexibility and effectiveness of the community foundation model.

## What is your experience with and reflections on place-based funding approaches?

In Australia, some 40 community foundations and a network of member partners work to make their local community a better place to live, from rural areas, to regional towns and capital cities.

Community foundations play a unique role in convening and guiding locally-led efforts to improve communities. It is a role that goes well beyond traditional philanthropy; community foundations hold trusted local relationships, foster networks, and have a deep understanding of place and context. Increasingly, community foundations offer a platform for communities of interest and experience to work in collaboration or in philanthropy, especially for those at the margins of social processes and decision-making. This can mean the difference between an impactful investment or not.

The Australian community foundation model is flexible and agile – responding to the unique and changing needs of a community over time – making them ideal partners for government.

### Local knowledge and relationships

A unique value of community foundations is that their giving is based on local knowledge, research and evidence of local needs. By design, community foundations are staffed and governed by local people who are passionate about their community.

Community foundations also conduct research on local issues to inform their granting priorities. Vital Signs reports are one such example, a widely adopted tool in the sector which draws on data from local communities to understand local needs and better direct support.

It is this deep connection to community that make community foundations a trusted means of grant distribution – they help donors and other funders, including government, get support to where it is needed most.

For state or federal government looking to drive better place-based outcomes, community foundations offer a central, ‘on the ground’ contact point – to identify the most appropriate partner within the local network, and to broker introductions to create relationships for better public service delivery to local communities.

Community foundations are not just money-raisers, they are also bridge-builders and trust-builders. They hold knowledge on and have trusted relationships with the charities in their local region. Far from competing with the charity sector, community foundations strengthen philanthropic and social ecosystems by actively growing the philanthropic pie and providing sustainable income streams to local charities and causes.

With their independence and birds eye view of their own communities, community foundations are uniquely able to foster cross-sector partnerships and reduce service duplication to target pockets of entrenched disadvantage.

It is this social capital and local expertise which is crucial for governments seeking to successfully partner with community sectors at the local level.

### **Long-term vision**

Community foundations are built for perpetuity; they are there for the long-haul. When a community hopes to tackle entrenched cycles of disadvantage and ecological decline,, community foundations are ideal backbone organisations to support the kind of long-term interventions required for systemic change.

This capacity for a long-term vision is a key characteristic of the community foundation model, one that many institutes, organisations, and agencies may not have, otherwise restricted by short-term funding and election cycles.

### **Case study: Tomorrow Today Foundation’s Education Benalla Program**

In 2007, when the Victorian community of Benalla was identified as one of the most disadvantaged in the state, local community foundation Tomorrow Today stepped up to provide the leadership to pioneer a long-term, whole-of-community response – the Education Benalla Program.

Tomorrow Today knew that isolated interventions by local charities would not be enough to tackle the complex issues facing their community. The solution would require cross-sector collaboration and a long-term commitment, not a project designed to suit short-term funding opportunities. Crucially, the program would need to be place-based, responding specifically to the issues of Benalla.

As Benalla's independent community foundation, Tomorrow Today was in an ideal position to bring together everyone with an interest in Benalla's kids. Public agencies, private business, local families, schools, local government, community groups and external philanthropy have all come together to improve Benalla student outcomes.

Over ten years into the program, Tomorrow Today continues to lead its delivery and drive impact. It is now an advanced Australian example of a collective impact approach to addressing complex community problems.

### **Convening, collaborating and coordinating**

Community foundations convene, collaborate and coordinate local responses. They leverage long established, trusted relationships in the community, and an understanding of how to access and communicate with government, business, philanthropy and community organisations alike to get things done.

With their non-partisan approach, and their birds eye view of their local communities, community foundations are able to drive cross-sector collaboration to address fragmented service delivery, and advocate for change in partnership with others.

### **Case study: Red Earth Community Foundation empowers community to co-design its own future**

Red Earth Community Foundation serves the Burnett Inland in Queensland, a vast area stretching from the Great Dividing Range to the Burnett River catchment near Bundaberg, covering three local government areas. Like many regional areas, the Burnett Inland is in a period of transition. Natural disasters, shifts in industry and technology, and a hollowing out of its younger population were threatening its future. In 2019, it was clear the region faced a choice: innovate and grow, or disinvest and decline.

To overcome these complex challenges, the Foundation knew the community needed a collective vision for the region in 20, 30 and 50 years. But expertise existed largely in siloes, with little collaboration and knowledge-sharing across councils, agencies and sectors. And with election cycles every four years, regional planning rarely considered outcomes for a horizon longer than five years.

Red Earth Community Foundation developed the [Burnett Inland Futures](#) platform in response, positioning themselves as a 'backbone organisation' for the whole region. The Foundation acted as a trusted, neutral convener, bringing people together from across government, academia and community, attracting crucial funding, and harnessing the knowledge of local community members.

The collaboration has resulted in a comprehensive research report and the formation of a formal network of community members and stakeholders that come together to guide the

plan's vision and strategy, establish shared measurement practices, support aligned activities, build public good will, and advance policy. Red Earth Community Foundation provides ongoing facilitation of the network, building strong foundations for long-term community collaboration and resilience.

### Case study: Geelong Funders Collaborative

In 2018, the Geelong Community Foundation established the Geelong Funders Collaborative – a collaboration of private funders with an interest in more effective giving to the Geelong region. The initiative serves as a great example of coordinated, informed local giving, and also demonstrates the facilitative advocacy role that foundations can play.

The collaborative meets regularly through the year to share knowledge and insights on the issues affecting the community, to help streamline the grant-making process for community organisations in the region, and to connect funders with potential applicants in the Geelong region. In so doing, participants have identified community needs and supported multi-year projects in response – helping to help reduce duplication of services and inefficiencies in the local service delivery system.

## What innovative approaches could be implemented to ensure grant funding reaches trusted community organisations with strong local links?

There is a significant opportunity for Australian governments to partner with the growing network of community foundations to address place-based disadvantage and community resilience. Overseas, governments have recognised the usefulness of community foundations in enabling rapid delivery of targeted support and patient long-term community regeneration, at a scale not seen in Australia. In fact, this has become common practice in nations such as Canada, where governments work closely with the sector peak organisation to strengthen local communities, mobilising public and private resources across the strong national network.

The case studies (below) provide an illustration of the direction Australia could head, through deeper collaboration between government and the community foundation network.

### International case study: [Canadian government distributing \\$750M through community foundations and charities](#)

In Canada, the government sees the 205-strong community foundations network as the local architecture to address complex social issues at a local level.

The Canadian government recently ran two programs distributing a total of \$750M (Canadian dollars) in grants to community organisations. Community Foundations of Canada (the

sector's peak body) together with Canadian Red Cross, and United Way Centraide Canada were selected to distribute the funding.

About a third of the total funding will be distributed through community foundations. The design of the policy itself was informed and coordinated together with the peak body; foundations across Canada then assessed applications and delivered grants for their local communities. When the Canadian Government announced the second scheme, they noted the partners had “*demonstrated their capacity to distribute funding to the charitable and non-profit sector in a fair, effective and efficient manner*”. The schemes were:

- Emergency Community Support Fund (2020): Provided \$350 million for over 11,570 projects serving vulnerable populations during the Covid-19 pandemic. Community foundations distributed \$100 Million of those funds, through over 180 participating community foundations.
- The Community Services Recovery Fund (2022 - ongoing): An investment of \$400 million to help non-profits acquire the tools they need to adapt and modernise so they can better support pandemic recovery in communities across Canada. Community foundations are currently assessing applications and making grants.

### **Rapid response in times of crisis**

Community foundations provide vital community infrastructure in times of crises, supporting responses to emergencies and natural disasters by distributing funds quickly to where they are needed most. In Australia, recent fires, floods, and Covid-19, demonstrated the significant value of community foundations.

The Australian Government has the opportunity to both further develop and collaborate with this national network as vital partners, drawing on its distribution infrastructure, helping to efficiently get resources to where they are needed most, and creatively bringing philanthropic dollars to the table.

### **Case study: Covid-19 Disaster Relief Fund at the Inner North Community Foundation**

The Inner North Community Foundation launched its Covid-19 Disaster Relief Fund on 20 March 2020, two days after the state of emergency was declared in Victoria. The Fund was a support program with a focus on supporting local people and charities through:

1. Rapid Response grants for local not-for-profits to respond in flexible and creative ways.
2. Emergency relief vouchers for families to buy essentials, with vouchers allocated by local charities.



### 3. Pathways to Employment that support people in the community impacted by Covid-19.

A public call for donations received \$526,939 from local people, businesses and other groups. Local government contributed \$180,000 to the Fund, which leveraged additional community capital.

The bulk of funds were distributed in the first 6 months to more than 150 local community groups. Rapid response grants supported 67,000 people, vouchers reached 3,000 families, and the Pathways to Employment program helped 230 people secure work.

#### Case study: Northern Rivers Community Foundation's Flood Relief Fund

In February and March 2022, flooding events devastated NSW's Northern Rivers region, breaking numerous rainfall and river height records. In the weeks following the disaster, the Foundation launched The Flood Relief Fund, in partnership with the Byron Community Centre, to offer quick response grants of up to \$10,000 to community organisations to provide flood relief and recovery for the Northern Rivers.

As of May 2022, within just three months of the flooding events, the Fund had raised and distributed almost \$1 million to 106 recipients, including some funds raised through Australian Communities Foundation's National Crisis Fund.

Over a year on, recovery efforts are still underway, and the impact will continue to be felt for years to come. The Foundation is undertaking ongoing research into the community's recovery to identify and raise awareness of what additional support is needed.

2022 was the biggest year in the Foundation's history, with \$2.9 million facilitated and distributed across six grant programs and over \$4 million raised to support disaster response, women's empowerment, affordable housing, education, environment and community grants. The surge in community support was also made possible by the Australian Tax Office's 'Australian Disaster Relief Fund' designation, which enabled the Foundation to receive donations from Private Ancillary Funds.

#### What does success look like?

Community Foundations Australia has a bold aspiration for 90 per cent of Australians to have access to a local community foundation. With a stronger national network of community foundations working in partnership with government, a virtuous circle of community-led change would arise, as successful projects create impact, boost confidence, lift social connection and capital, and inspire ongoing initiatives to improve the local community.

This can be achieved through partnerships with government, together with the ongoing support of current sector partners, Australian communities and businesses.

Alongside this vision of a connected network of purpose, we hope to double our sector's giving. This aspiration will see Australia's community foundations' total funds under management reach \$1B by 2030, doubling from 2021. Further, it strives for annual donations received and total grant making to more than double, from \$40M in 2021 to \$100M by 2030.



This aspiration was developed through opportunity identification, forecasting analysis and testing through broad consultation supported by SVA Consulting, and is laid out in more detail in our joint [submission](#) with Philanthropy Australia to the Productivity Commission's recent inquiry into philanthropy.

## Conclusion

Australia's network of community foundations, particularly as it approaches full national coverage, is a new, emergent social infrastructure offering new opportunities to government partners. Its development originates from the independent efforts of Australians and their community partners across all sectors and a growing number of enabling public policy initiatives, which in turn, creates today's opportunity for growing collaboration at the community level and sector.

Community foundations are vital community assets. Investing in the community foundation network is investing in the long-term sustainability, resilience and independence of local community sectors across the country.

Please direct any enquiries about this submission to [REDACTED]